

2011 / 2012

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ANNUAL  
REPORT

KWA SANI MUNICIPALITY

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FIRST DRAFT

### CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

#### COMPONENT A: MAYOR’S FOREWORD

## MAYOR'S FOREWORD

**Honourable Mayor  
Councillor M. Banda**

FIRST DRAFT

## COMPONENT B: EXECUTIVE SUMMARY

### MUNICIPAL MANAGER'S OVERVIEW

**Municipal Manager**

FIRST DRAFT

## INTRODUCTION TO BACKGROUND DATA

Kwa Sani Municipality is located within the Sisonke District Municipal area and is the gateway to the striking Southern Drakensberg, which borders the Ukhahlamba Park and a World Heritage Site.

The municipality is bordered by the Umkhomazi Wilderness Area to the West, Greater Kokstad to the South West, Eastern Cape to the South, Ingwe Local Municipality to the East and Impendle Local Municipality to the North.

Due to its locality, the area is of outstanding natural beauty, abundant water supply and rich agricultural potential. The area is best known by its link with Lesotho via Sani Pass – a tourist attraction of note.

The KwaSani Municipality, the primary tourist destination in the District, is home to only approximately 3 % of the District population. In terms of the 2007 Community Survey of Statistics South Africa the Sisonke Municipality has a population of just over have a million people.

### POPULATION & GENDER DISTRIBUTION

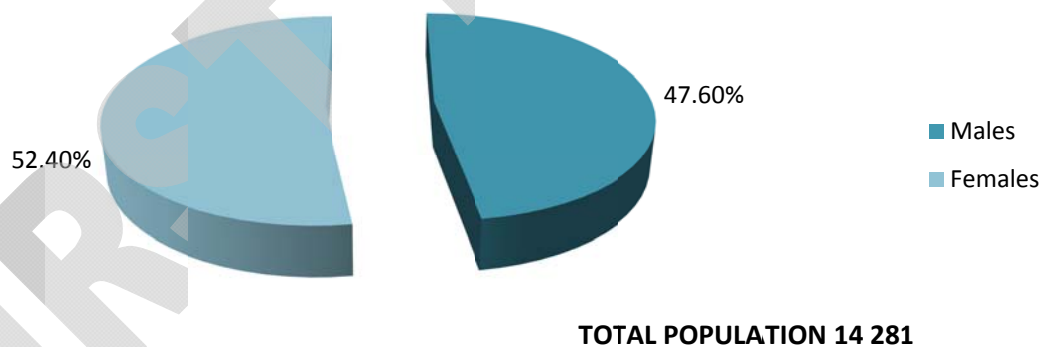


Figure 1

The statistics in Figure 1 were obtained from the Stats SA Community Survey issued in October 2007. As the survey is based on random sample and not a census, any interpretation should be understood to have some random fluctuation in data. In terms of Gender distribution Females make up 52.4% of the population with Males in the minority of 47.6%. In 2001 Census indicated that the total population was 15 324.

## DEMOGRAPHICS AND SOCIO ECONOMIC CONDITIONS

Other than for the formal urban development in Underberg and Himeville the people of the KwaSani Municipality is located in dispersed rural settlements throughout the Municipality. Typical features of the settlements include:

- Informal / traditional in nature;
- Unplanned structure;
- Generally low but varying densities;
- Commercial needs served in Underberg; and
- Varying levels of access to infrastructure.

The municipality is 1180 sq km's in extent. Due to its location the terrain is very mountainous and the rural communities tend to be clustered, with the clusters being widely dispersed. The area comprises two urban areas, i.e. Underberg and Himeville, plus the following rural communities: Mqatsheni; Enhlanhleni; Kwa Pitela (Stepmore, Netherby, Ntwasahlobo, Ridge, and Kwa Thunzi, previously part of KwaSani has a result of a Demarcation Board decision now been included in the Impendle Municipality).

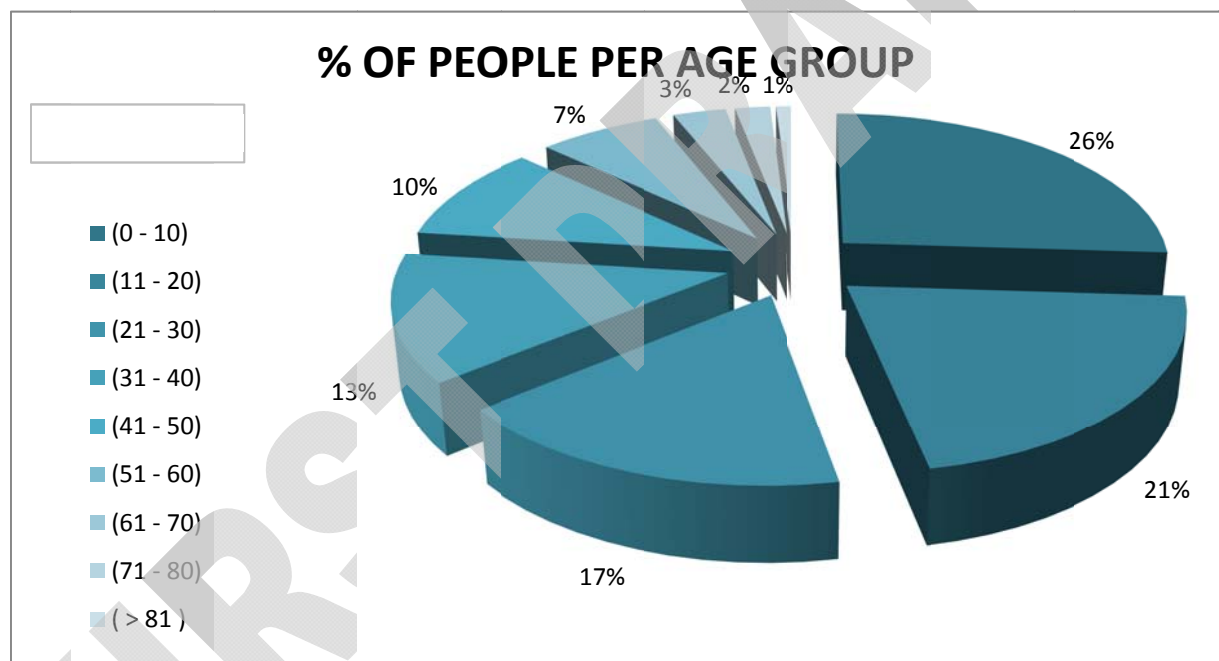


Figure 2

Figure 2 further illustrates that the population of the municipality is relatively young with nearly 50% of the population being 20 years and younger. This suggests a future increase in the number of people entering the job market, as well as those that will be in need of various social and health services in the municipality. The more urgent current need is then for appropriate education, social and recreation facilities for this age group.

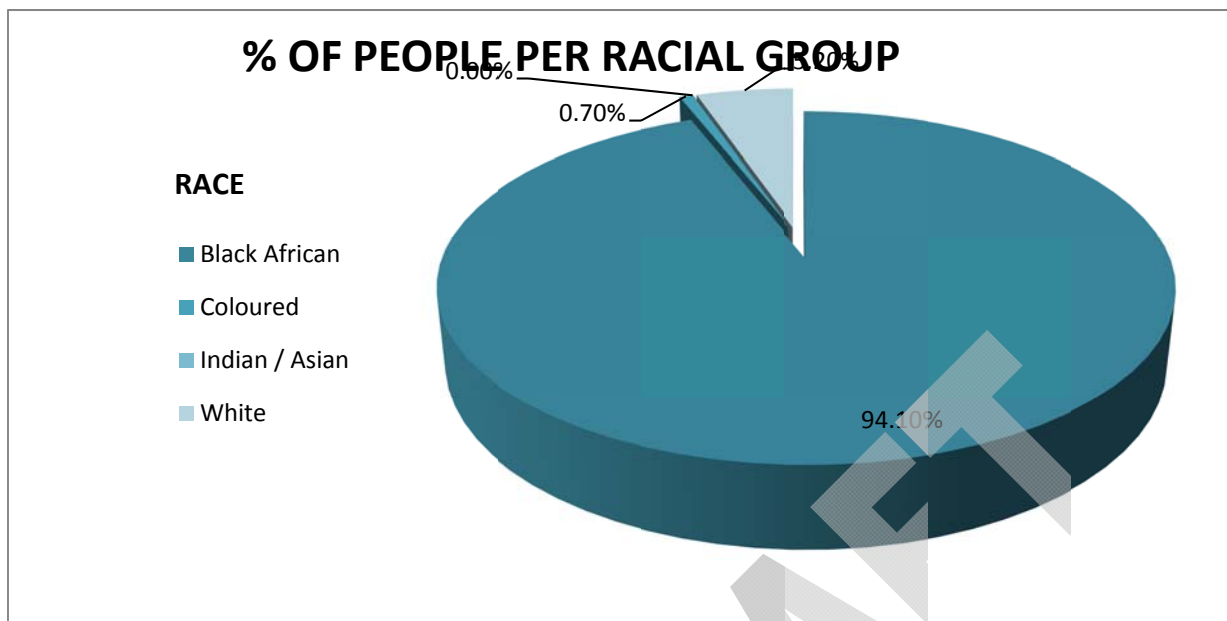


Figure 3

The majority of the population of the KwaSani Municipality is from a previously disadvantaged background. This section of the population is then also rather located in the dispersed rural settlements of the municipality which impacts on the ability of the municipality and other service providers to support the basic development needs of this group.

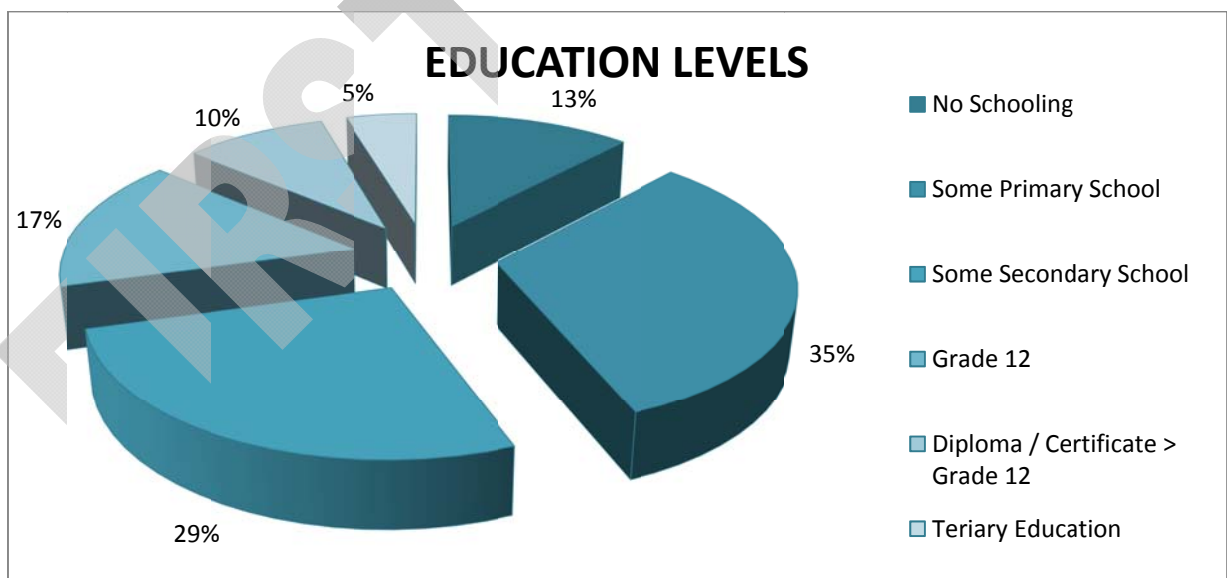


Figure 4

Current education levels in the Municipality provide a good understanding of the skills and potential that exists within the workforce. Figure 4 above, reflects on the education levels of all individuals in the Kwa Sani Municipality that were 19 years and older in 2007. It is noted that 75%

of the people older than 19 years of age have not completed a secondary school career. Slightly less than 25% of this group has passed Grade 12 or has gone on to achieve other tertiary qualifications. Six percent of the population has a tertiary qualification of some sort. In many of the rural schools subjects such as Mathematics and Science are not taught due to lack of suitably qualified teachers.

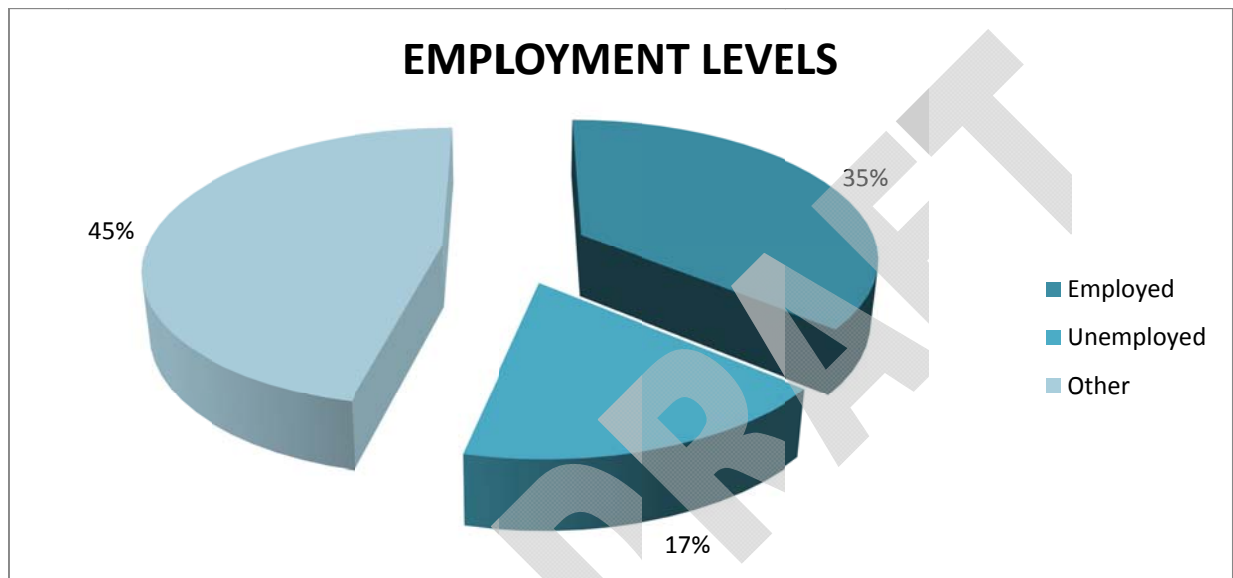


Figure 5

#### JOB CREATION AND EMPLOYMENT

Figure 5 illustrates that of the 8 985 people in the Kwa Sani workforce only 37% are employed. Although unemployment levels are in line with national standards, the “other” category representing those in the workforce not currently seeking employment is high. This contributes to amongst other things high dependency ratios in the municipality.

Natural Resource	
Major Natural Resources	Relavance to the Community
Kwa Sani borders the the Ukhahlamba Park and a World Heritage Site	<ul style="list-style-type: none"> <li>- World Heritage Site</li> <li>- Major Land mark</li> <li>- Tourist Attraction.</li> </ul> Revenue Generating resources.
Sani Pass to Lesotho	
Trout Fishing	
Rock Art - San Paintings	
Rivers & Drakensberg Mountains	

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# COMPONENT C: STATUTORY – ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 <sup>th</sup> quarter Report for previous financial year	
4	Submit draft 08/09 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	September / October
12	Municipalities receive and start to address the Auditor General's comments	January / February
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	February
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	January / February

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THE ANNUAL REPORT PROCESS

- The IDP sets out the vision and objectives / goals and development plans of the municipality. It is presented to council who adopts it and undertakes an annual review and assessment of performance.
- The IDP informs the budget. The budget sets out the revenue raising and expenditure plan for approval by council.
- The budget and IDP informs the SDBIP which lay the basis for performance agreements of the Municipal Manager and senior management.
- The IDP review is informed by changing circumstances. Evidence of this is obtained from the mid year budget and performance reviews in terms of S72 of the MFMA and also the Annual Report in terms of S121 of the MFMA tabled to council.
- The fourth quarter, unaudited report, that includes the Annual Financial Statements as well as the Annual Performance Reports, (S46 of the MSA), are submitted to the Auditor General who will then issue an audit report on financial and non financial audits simultaneously.
- Annual Reports provide feedback on the implementation of performance in relation to the IDP, budget and SDBIP in terms of the performance measurement system.
- Council adopts an oversight report based on outcomes highlighted in the Annual Report and actual performance.

## GOVERNANCE

To ensure accountability and governance arrangements are in place, information on matters of governance should be communicated to communities. Kwa Sani Municipality has elected to convey this message via the compilation and publication of its Annual Report. The purpose behind the report is to promote accountability to communities for decisions taken by the council and matters relating to administrative structures, throughout the financial year.

Characteristics of good governance include the following:

- **Participation** – This can be directly to the public or via community representation.
- **Rule of Law** – This refers to the legal framework that council and administration strive to enforce impartially.
- **Transparency** – Stakeholders are provided with information on why decisions were made.
- **Responsiveness** – Institutions and processes try to serve all stakeholders within a responsible timeframe.
- **Consensus oriented** – Good governance requires mediation of the different interest in society to reach a broad consensus on what is in the best interest of the whole community and how can this be achieved.
- **Equity and Inclusiveness** – Society's well-being depends on ensuring that all members feel that they have a stake in it and do not feel excluded from the mainstream of society.
- **Effectiveness and Efficiency** – Good governance means that processes and institutions produce results that meet the needs of society while making the best use of resources at their disposal.
- **Accountability** – is a key requirement of good governance. Accountability cannot be enforced without transparency and the rule of the law.
- **Sustainability** – is the capacity to endure, how systems remain diverse and productive over time. It is the potential for long term improvements, which in turn also depends on the responsible use of the natural resources.

Good governance can be divided into four (4) critical components:

- Component A: Political and Administrative Governance;
- Component B: Intergovernmental Relations;
- Component C: Public Accountability and Participation and
- Component D: Corporate Governance;

All of which are discussed below.

## COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Constitution, S 151(3), states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community.

S 7(c) of the Municipal Structures Act, Act 32 of 2000, defines Kwa Sani Municipality as a plenary executive system which limits the exercise of executive authority to the municipal council itself.

### INTRODUCTION TO POLITICAL GOVERNANCE

The S 52(a) of the MFMA clearly stipulates that the Mayor must provide general political guidance over the fiscal and financial affairs of the municipality.

KSM constituted two (2) separate Councils during the 2010/2011 financial year due to the elections that took place on 18 May 2011. The composition of the Municipal Council during the course of the financial year is illustrated in Table 3

The Municipal Systems Act empowers Council to establish one or more committees necessary for the efficient and effective performance of any of its functions or the exercise of its powers. This was the basis of the formation of the Oversight and SCOPA Committees in June 2011, post elections. Membership to committees is detailed below in Table 4.

The Mayor has discharged his obligation in terms of S166 of the MFMA at KSM through the appointment of the audit committee who exercises oversight on behalf of the Council. Audit Committee was appointed in November of 2010. Table 5, details composition of the committee along with dates of regular meetings that were held during the course of the financial year which enabled the committee to perform their function effectively. The committee tasked administration with recommendations which are illustrated in Appendix 9. One of the functions of the audit committee focused on the review of the Annual Financial Statements for 2010/2011, prior to submission to the Auditor General. The Report of the Audit Committee on the Annual Financial Statements is contained in Appendix 4.

## **POLITICAL STRUCTURE**

**MAYOR / SPEAKER**  
**Clr M Banda**



### **COUNCILLORS**

- Clr D Adam
- Clr PR Crawley
- Clr VP Majozi
- Clr SB Mqwambi
- Clr PN Mncwabe
- Clr EZ Radebe

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time (FT / PT)	Committees Allocated	*Ward and/or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	%
M B Banda	PT		ANC	81%	19%
D Adam	PT	SCOPA	DA	100%	0%
PR Crawley	PT	MPAC	DA	100%	0%
VP Majozi	PT	MPAC	Ward 1 ANC	60%	40%
SB Mqwambi	PT	MPAC	Ward 2 ANC	100%	0%
PN Mncwabe	PT	MPAC	Ward 3 ANC	100%	0%
EZ Radebe	PT	MPAC	Ward 4 ANC	100%	0%

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Audit Committee Meeting attendance				
Member Name and designation	Skills / Experience	Meeting dates	% Meeting attendance	% Meeting apologies
Mr M Mrasi - chairman	Senior member at COGTA	26 <sup>th</sup> November 2010 15 <sup>th</sup> April 2011 15 <sup>th</sup> June 2011 30 <sup>th</sup> June 2011	75%	25%
Mrs S Keshav – member	Attorney with vast legal knowledge w.r.t municipalities	26 <sup>th</sup> November 2010 15 <sup>th</sup> April 2011 15 <sup>th</sup> June 2011 30 <sup>th</sup> June 2011	100%	
MR R Bowyer – member	Employee of COGTA	26 <sup>th</sup> November 2010 15 <sup>th</sup> April 2011 15 <sup>th</sup> June 2011 30 <sup>th</sup> June 2011	100%	

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## INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The MFMA S 60(b) states that Municipal Manager of a municipality is the accounting officer of the municipality and must provide guidance on compliance with this Act to political structures; political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.

Table 6 contains the structure of the Municipality.

ADMINISTRATIVE STRUCTURE		
DIRECTORATE	TITLE, NAME AND DESIGNATION	ROLES & RESPONSIBILITIES
Municipal Manager	?????	<ul style="list-style-type: none"> <li>• Must exercise the powers and functions assigned to an accounting officer in terms of the MFMA;</li> <li>• provide guidance on compliance with the MFMA to political structures; political office bearers, and officials of the municipality;</li> <li>• Exercise a fiduciary responsibility in terms of S 61 of the MFMA.</li> </ul>
Director: Planning & Community Services	Ms. SA MsAlister	<ul style="list-style-type: none"> <li>• The accounting officer may in terms of S 77 of the MFMA delegate any of the powers or duties assigned to an accounting officer.</li> <li>• HOD to 6 Departments – daily management of departments and personnel;</li> <li>• Planning – IDP;</li> <li>• Local Economic Development – business plans to secure funding;</li> <li>• Project management;</li> <li>• Tourism – Corridor Development;</li> <li>• Rural Development – linking economic activity to poor households;</li> <li>• Administrative duties – Reports, Monthly, Quarterly, correspondence etc.,</li> <li>• Service Delivery – Operational and strategic in terms of planning.</li> </ul>
Director: Chief Finance Officer	Ms. K Mackerduth CA (SA)	<ul style="list-style-type: none"> <li>• Administratively in charge of the budget and treasury office;</li> <li>• Advice the accounting officer on the exercise of powers and duties assigned to the accounting officer in terms of the MFMA;</li> <li>• Assist the accounting officer in the</li> </ul>

		<p>administration of the municipality's bank accounts and in the preparation and implementation of the municipality's budget;</p> <ul style="list-style-type: none"> <li>• Must advise senior managers and senior officials in the exercise of powers and duties assigned to the in terms of S78 of the MFMA or delegated to them in terms of S79 of the Act.</li> <li>• Must perform such budgeting, accounting, analysis, financial, reporting, cash management, debt management, supply chain management, financial management, review and other duties delegated in terms of S79 of the MFMA by the accounting officer to the CFO.</li> <li>• Compilation of the Annual Report.</li> <li>• Formation, Adoption and Implementation of the Performance Management System.</li> </ul>
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FUNCTIONS OF MUNICIPALITY		
Municipal Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes/No)*	Function Applicable to Entity (yes/No)
<b>Constitution Schedule 4, Part B functions:</b>		
Air Pollution	N/A	N/A
Building Regulations	Yes	N/A
Child care facilities	N/A	N/A
Firefighting services	N/A	N/A
Local tourism	Yes	N/A
Municipal airports	N/A	N/A
Municipal planning	Yes	N/A
Municipal health services	N/A	N/A
Municipal public transport	N/A	N/A
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this constitution or any other	Yes	N/A
Pontoons, ferries, jetties, piers and harbors, excluding the	N/A	N/A



regulation of international and national shipping and matters related		
Storm water management systems in built-up areas	Yes	N/A
Trading regulations	Yes	N/A
Water and sanitation services limited to potable water supply systems and domestic water and sewage disposal systems	N/A	N/A
Beaches and amusement facilities	N/A	N/A
Billboards and the display of advertisements in public places	Yes	N/A
Cemeteries, funeral parlors and crematoria	Yes	N/A
Cleansing	Yes	N/A
Control of public nuisances	Yes	N/A
Control of undertakings that sell liquor to the public	Yes	N/A
Facilities for the accommodation, care and burial of animals	Yes	N/A
Fencing and fences	N/A	N/A
Licensing of dogs	N/A	N/A
Local amenities	N/A	N/A
Municipal parks and recreation	Yes	N/A
Municipal Roads	Yes	N/A
Noise Pollution	Yes	N/A
Pounds	Yes	N/A
Public places	Yes	N/A
Refuse removal, refuse dumps and solid waste disposal	Yes	N/A
Street Trading	Yes	N/A
Street lighting	Yes	N/A
Traffic and parking	Yes	N/A

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## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The MSA S3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged in the Constitution S41.

Provincial Treasury and The Department of Cooperative Governance and Traditional Affairs have designated regional managers who are assigned to provide assistance and support to KSM in various areas ranging from compliance with the MFMA, SCM Regulations to councilors remuneration. The Supply Chain Management official from Treasury conducts quarterly assessments to determine the level of compliance with the relevant laws and regulations and the necessary corrective action to be taken. Continued support in these areas are encouraged and appreciated.

KSM relies on various governmental departments for funding in order to deliver on services. We work with various departments in terms of service delivery and development initiatives. E.g. The Department of Human Settlements for Housing. Department of Economic Development and Transport for LED transport for roads infrastructure. Mayor's stakeholders' forums to which all government departments are invited for alignment and input on projects.

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

From a governance perspective the KwaSani Municipality faces a number of challenges. The core issue contributing to these challenges is inefficient communication between the Municipality and a range of stakeholders, including:

- Line function departments (and other spheres of government) – intergovernmental communication, in general;
- District Municipality; and
- Certain civic organization

Despite resistance to transformation in some communities, the level of public participation in planning and development in the municipality is good and good communication exists with the largest constituent of the municipality. A draft communication strategy has been developed by the municipality and implementation of the strategy must now be supported. In order to improve on communications the following is to be focused on by the Municipality:

- Identifying a resource specifically responsible for communication in the municipality; and
- the communication strategy be reviewed.
- Other significant interventions that will contribute to improving levels of governance are:
- The implementation of the SDBIP (Service Delivery and Budget Implementation Plan);
- The review and consistent implementation of by-laws in the Municipality.
- Improve on the existing communication initiatives
- Continue to address and implement turnaround strategy issues
- Monitor and implement performance management system

### PUBLIC MEETINGS

The following public meetings were held during the course of the 2011/2012 financial year:

- Quarterly budget and IDP meetings;
- Mayors Stakeholders Forum;
- Municipal Property Rates Act Meetings;
- Project Steering Committee meetings;
- Business and Ratepayers meetings and
- Ward Committee Meetings

## COMPONENT D: CORPORATE GOVERNANCE

### OVERVIEW OF CORPORATE GOVERNANCE

Corporate Governance can be split into 5 areas:

- Risk Management
- Supply Chain Management
- Anti-Fraud and Corruption
- By Laws
- IT / Website

All of which are discussed below in more detail.

### RISK MANAGEMENT

S 62(i)(c) of the MFMA requires a municipality to have and maintain an effective, efficient and transparent system of risk management. As a result, KSM has in terms of S165 of the MFMA appointed a service provider, KPMG, to act as the Internal Audit Unit. One of their functions entailed identification of the municipalities top 10 risk areas" as evidenced in Table 8

No.	Risk name	Root cause of the risk	Consequence of the risk
1	Possible change to demarcation status	Political agendas and timelines Amalgamation of Municipalities	Potential loss of equitable share and additional costs in terms of additional councillors Size of Municipality would make a takeover by a larger Municipality more viable
2	Outdated infrastructure	Historical legacy Unavailability of funding (limited maintenance and capital expenditure) Incorrect equipment available to perform required tasks Harsh climatic conditions on the road infrastructure Increase of heavy vehicles on the roads infrastructure	Consumer dissatisfaction Ability to attract economic development is affected Poor service delivery

3	Inter-governmental co-operation does not exist at District and Provincial level	Lack of understanding of roles and responsibilities (from the District) Differing priorities at District and Provincial level Political interference (District level) Incorrectly placed personnel (District level) Insufficient resources (Provincial level) Apathy and non-commitment of stakeholders to engage Ineffective planning within the District	Loss of funding / grants Harm to reputation Consumer unrest Unbudgeted expenditure Underutilisation of assets Ineffective service delivery
4	Limited revenue base from all sources	Mix and spread of population (approximately 7 000) Current macro-economic downturn Revenue only generated on certain municipal services Infrastructure does not support the population growth	Service delivery is compromised Increase in grant dependency - sustainability is challenged Consumer unrest Inability to meet set targets Inability to fill vacant positions
5	Instability of finance department	Utilisation of acting personnel No initiative taken to fill vacant positions on a permanent basis	Under spending / overspending of the budget Negative cash flow impact Negative impact on debt collection Operational inefficiencies Delays in projects etc. Non-compliance to financial policies, procedures and legislation
6	Land availability	Land claims within the municipal boundaries Most land privately owned	Inability to meet LED growth targets Loss of revenue Delays in service delivery Inability to attract people to the area Tension within the community
7	Ownership of a landfill site	The transfer site is a short term solution Reliance on Msunduzi Municipality to accept Kwa Sani's waste	Environmental spillage Harm to reputation Possible fines and penalties Disruption in service delivery Consumer unrest Outbreak of disease Loss of revenue
8	Natural disasters	Fire Snow Wind Hail	Loss of life Harm to reputation Law suits against the Municipality Disruption in service delivery Increased pressure from stakeholders Financial loss
9	Inadequate skills and expertise within the Municipality	Misalignment of skills and duties Ineffective training interventions to up skill staff	Operational inefficiencies Financial loss Disruption in service delivery Inability to meet set service delivery targets Consumer unrest Low staff morale Worsening of productivity levels
10	Ineffective tender processes	Newly established Department Internal and external fraud and corruption Lengthy decision making processes around the tender process No standing committees for the tender process Limited suppliers for larger items due to the geographic location	Poor or disrupted service delivery Consumer unrest Increased cost of purchase (financial loss) Operational inefficiencies Delays in project implementations etc. Financial loss Harm to reputation

11	Development of Municipal area done at the expense of the environment	Differing priorities Ineffective internal processes	Harm to reputation Non-compliance to legislation resulting in possible penalties and fines Inability to attract sustainable development
12	The ability to attract and retain competent and skilled staff	Remuneration is not competitive Infrastructure does not support economic development Basic skill sets not frequently found within the community	Service delivery is compromised Harm to reputation Migration of existing resources to better areas
13	2011 local government elections	Possible changes to existing political structure and senior management	Funds for projects could be redeployed or re-prioritised Service delivery disruption Administrative disruption (planning, authorisation etc.)
14	"Conflicting" revenue streams	Differing priorities for the users of each stream Negative impact of the harvesting of the trees on the roads infrastructure Test trucks utilising roads infrastructure	Poor service delivery Financial loss Consumer disruption Increased pressure from stakeholders
15	Reliance on key personnel (management team)	Small size of the Municipality	Disruption of service delivery Loss of institutional memory Operational inefficiencies Financial loss

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## RISK MANAGEMENT

For the risks identified above, steps have been taken to mitigate the risks.

## FRAUD AND ANTI-CORRUPTION STRATEGY

The Municipality has adopted an antifraud and corruption strategy. One of the main objectives for the strategy is to encourage a culture of integrity amongst all municipal stakeholders i.e. employees, members of the public and councillors. The legislative basis for the new strategy is broad and includes the Prevention and Combating of Corrupt Activities Act of 2004, the Municipal Systems Act of 2000, the Municipal Finance Management Act as well as other applicable legislation.

Local government's vulnerability to corrupt practices stems from procedures for the procurement of contractors in the supply chain management process. The problems also arise because of a general lack of transparent procurement practice, nepotism in employment of staff, inadequate financial controls and

abuse of municipal assets. Its main principles include building a culture that is intolerant of corruption and deterring or preventing unethical conduct and corruption as well as investigating and punishing corrupt acts.

The strategy focuses mainly on the implementation of employee and councillor codes of conduct, and improved enforcement of applicable systems, policies and procedures. It prescribes the vetting of municipal employees, both existing and prospective, to ensure that they are not predisposed to corruption. Remedies include, but are not limited to, terminating employment, requiring restitution, and forwarding information regarding suspected fraud to the appropriate authorities for criminal prosecution. Preventative measures include the exclusion of Councilors from participating in the municipalities SCM processes. This policy is designed to inform Kwa Sani Municipality employees of their responsibility for detecting and reporting suspected fraud.

## OVERVIEW SUPPLY CHAIN MANAGEMENT

MFMA S110-119; SCM Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimise the opportunities for fraud and corruption.

KSM has a newly established SCM unit that is headed by Nonhlanhla Zondi, the supply chain officer.

### Organizational Structure

In terms of paragraph 7 of the Municipal Supply Chain Management Regulations the municipality must establish a Supply Chain Management Unit (SCMU) to implement its Supply Chain Management Policy. The SCMU must operate under the direct supervision of the Chief Financial Officer or may be delegated to an official in terms of Section 82 of the MFMA.

During the reporting period the staff complement that performed the duties and functions in terms of the SCM Policy were as follow:

#### Chief Financial Officer:

- Co-ordinates and control the implementation of the policy.

#### Supply Chain Officer:

- Implementation of the policy
- Processing of procedures for procurement above R 2 000.00
- Process Orders
- Database maintenance
- Issuing and receiving of goods
- Monitoring of stock levels

#### Creditors Clerk:

- Payment of Vendors / General payments
- Petty Cash
- Capturing of payments on SAMRAS
- Creditors Recon
- Creditors Ledger
- Outstanding Creditors
- Preparing of creditors payment vouchers

#### **Procurement Clerk**

- Position is vacant.

Due to size of the municipality, there is no SCM Manager employed. The CFO oversees this process and has been appointed as of the 01 March 2011. The lack of segregation of duties within the SCM Unit is overcome by:

- Oversight exercised by the CFO;
- Oversight exercised by the Accounting Officer;
- Monthly, quarterly and annual submission of SCM reports to council;
- Properly constituted bid committees that discharge its responsibility with regard to confidentiality and fairness.

Irregular expenditure was reported in the annual financial statements and is explained in the notes to the financial statements as well. The primary reason for irregular expenditure is the use of sole suppliers and inability of SCM to obtain 3 quotations as and when required. Going forward, these areas of non-compliance will be reported to the accounting officer and the CFO for ratification in terms of Regulation 16 (c) & 17 (c) & (d) of the SCM Regulations.

Since inception of the SCM Unit, there have been huge strides towards compliance with the relevant laws and regulations as well as progress within this department.

#### **BY LAWS**

MSA 2000 S 11(3)(m) provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation.

The municipality drafted and approved its by-laws in 2006. By-laws should be reviewed on an annual basis. However, due to capacity constraints and the significant costs associated with gazetting of the by-laws, the municipality has elected to review specific by laws during the course of the 2011/2012 financial year. The Department of Cooperative Governance and Traditional Affairs have indicated that a generic format of by laws will be available for municipalities to tailor to the needs of their municipalities. It should also be noted that a critical process of gazetting of by-laws includes the public participation process.

#### **MUNICIPAL WEBSITE CONTENT AND ACCESS:**

S 75 of the MFMA refers to the requirement for Municipal websites. The municipality has since 2008, a fully fledged and functioning website. A designated official is responsible for uploading content onto the site, thus limiting unauthorised access as well as isolating responsibility in the event of unauthorised content is uploaded. The municipality utilises its website extensively during the procurement process where adverts relating to tenders and quotations are placed. Table below illustrates the shortcomings in the municipalities website.

#### **Municipal Website: Content and Currency of Material**

Documents published on the Municipality's / Entity's website	<Yes / No>	Publishing Date
Current annual and adjustments budgets and all budget related documents	Yes	2011/04/13
All current budget-related policies	Yes	2011/07/13

The previous Annual Report (2009/2010)	Yes	2011/02/07
The annual report (2010/2011) published / to be published	Yes	26/01/2012
All current performance agreements required in terms of Section 57(1)(b) of the Municipal Systems Act (2008/09) and resulting scorecards	No Agreements have been signed.	n/a
All service level agreements (2010/2011)	No	n/a
All long term borrowing contracts (2010/2011)	No	n/a
All supply chain contracts above a prescribed value (give value) for 2010/2011	No	n/a
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14(2) or (4) during 2010/2011.	n/a	n/a
Contracts agreed in 2010/2011 in terms of section 33 apply, subject to subsection (3) of that section.	No	n/a
Public-private partnership agreements referred to in section 120 made in 2010/2011	n/a	n/a
All quarterly reports tabled in the council in terms of section 52(d) during 2010/2011	No	n/a

## SERVICE DELIVERY INTRODUCTION

### Water and Sanitation

Water and sanitation are not functions of the local municipality. However quarterly infrastructure meetings are held between the District and Local Municipalities wherein projects and challenges are discussed. There is a concern about the quality of service delivery from the District Municipality which is discussed with the parties concerned

### ELECTRICITY

Electricity provision is not a function of the municipality. In Kwa Sani this function is carried out by Eskom. However the municipality did embark on an alternative energy project in which the rural communities that do not have electricity were provided with gel, lamps and stoves. The municipality has received a grant from the Department of Energy (previously DME) to electrify 474 houses in Mqatsheni and 95 houses in KwaPitela in 2010/11 and once this project is complete there will be a small backlog which the municipality will address during the next two financial years. At present this municipality does not have the human or financial resources to carry out this function.

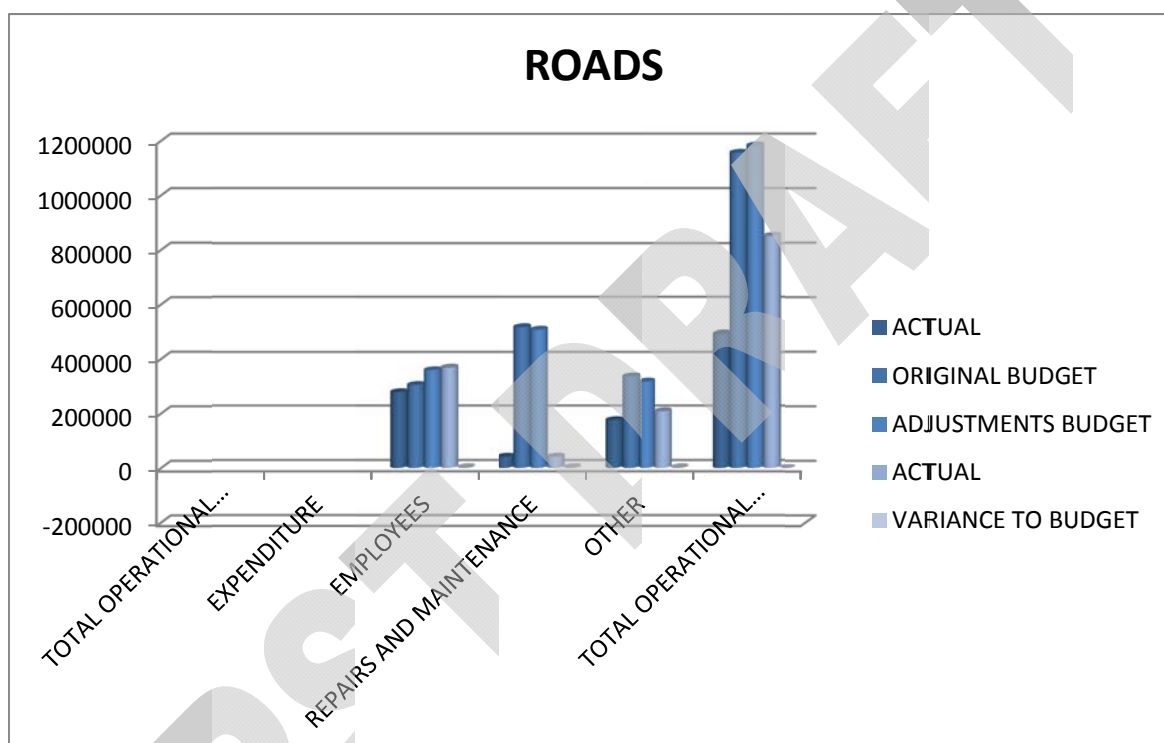


## ROADS AND TRANSPORT

The municipality has an Integrated Infrastructure Investment Plan which largely covers the two villages of Underberg and Himeville. A Consolidated Infrastructure Plan is also in place which details what road projects need to be executed throughout the whole municipal area.

Storm water drainage is included in the seasonal operations and maintenance routinely carried out by the Municipal Works Department. It forms part of our regular service delivery function for the municipal area.

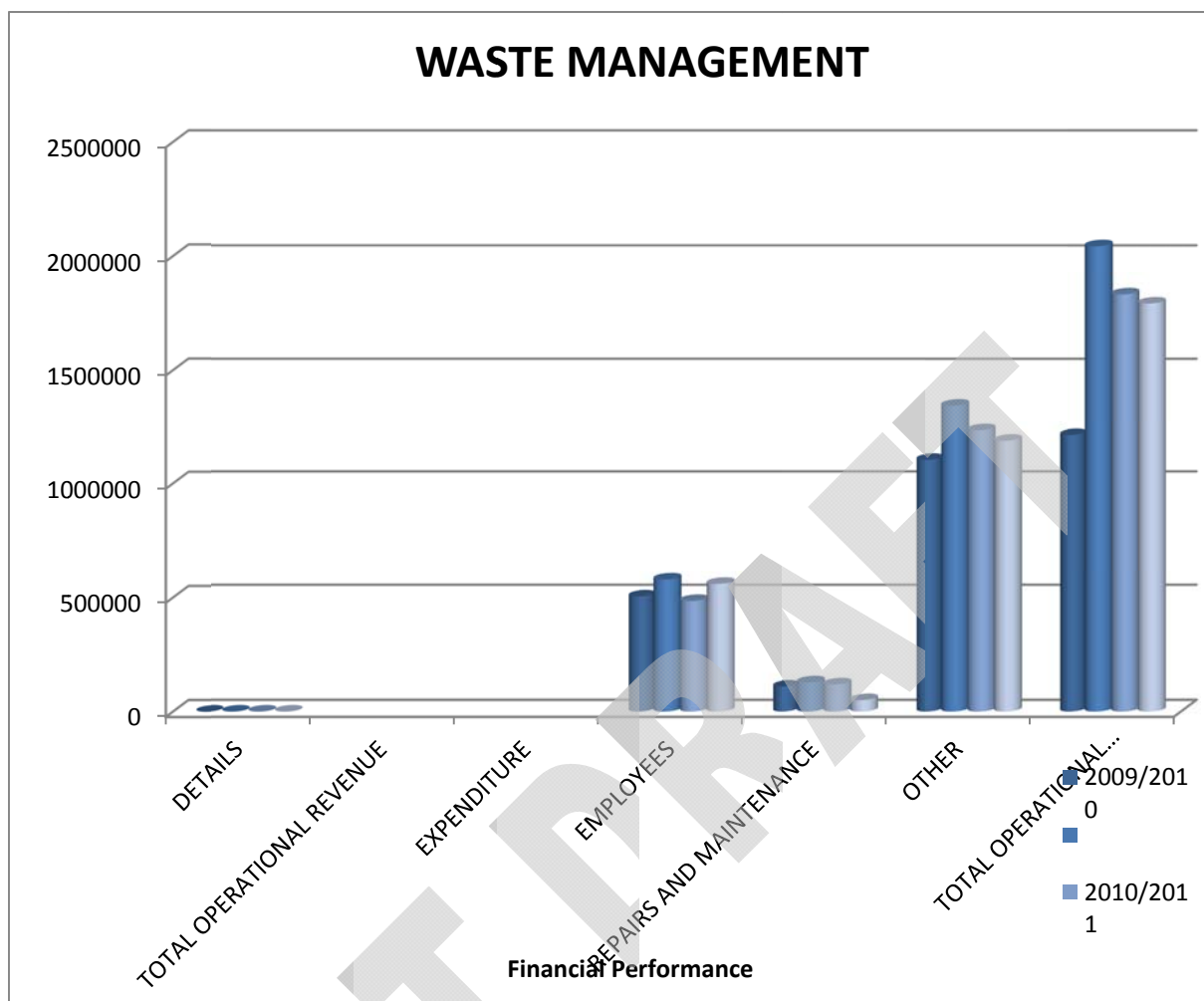
The municipality does not have a Transport Plan and does not have the financial or human resources to produce one. Funding will be sourced for this plan.



The graph represents the contribution and related expenditure of employees that work within this department in Kwa Sani Municipality.

## Waste Management

The final draft of The District Integrated Waste Management Plan has been completed. Currently waste is being transported out of the area to Pietermaritzburg and the municipality is actively involved with the district and neighbouring local municipalities in identifying a regional site. At present a certain amount of recycling is carried out but the distance between the municipality and the city is large enough to discourage the collection of glass, etc by recycling companies



The graph represents the contribution and related expenditure of employees that work within this department in Kwa Sani Municipality.

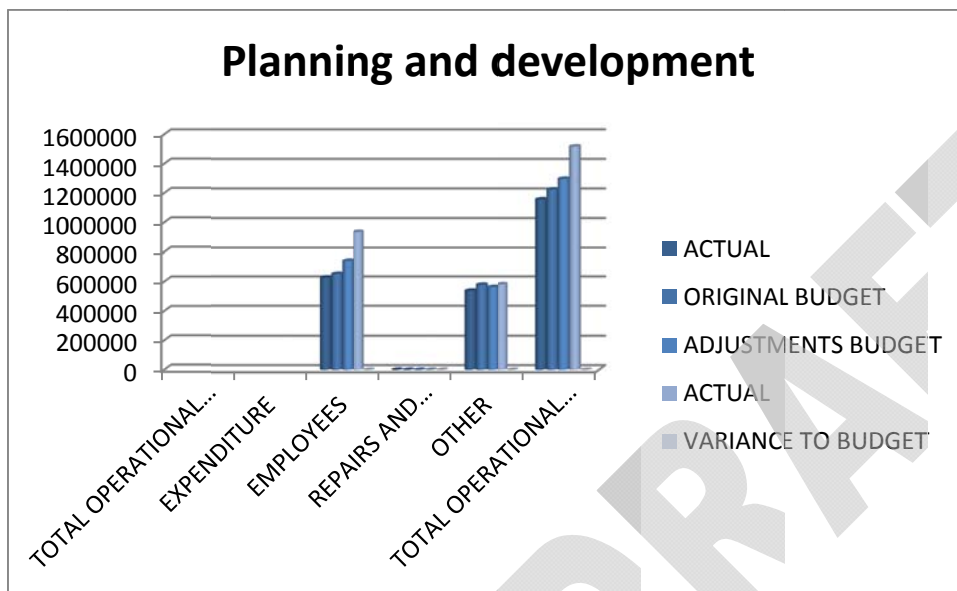
#### General Infrastructure Planning

An Integrated Infrastructure Investment Plan and a Consolidated Infrastructure Plan in place. MIG funding is utilized for infrastructural projects as the municipality does not have the financial resources to undertake large infrastructure projects but uses its funding for operation and maintenance. MIG projects are prioritized in a three year plan. Council are currently prioritizing the 3 year MIG plan for 2011/12 through to 2013/14.

Applications for funding for larger projects have also been made to other departments, for example the Neighbourhood Development Grant, Department of Economic and Rural Development and KZN Tourism.

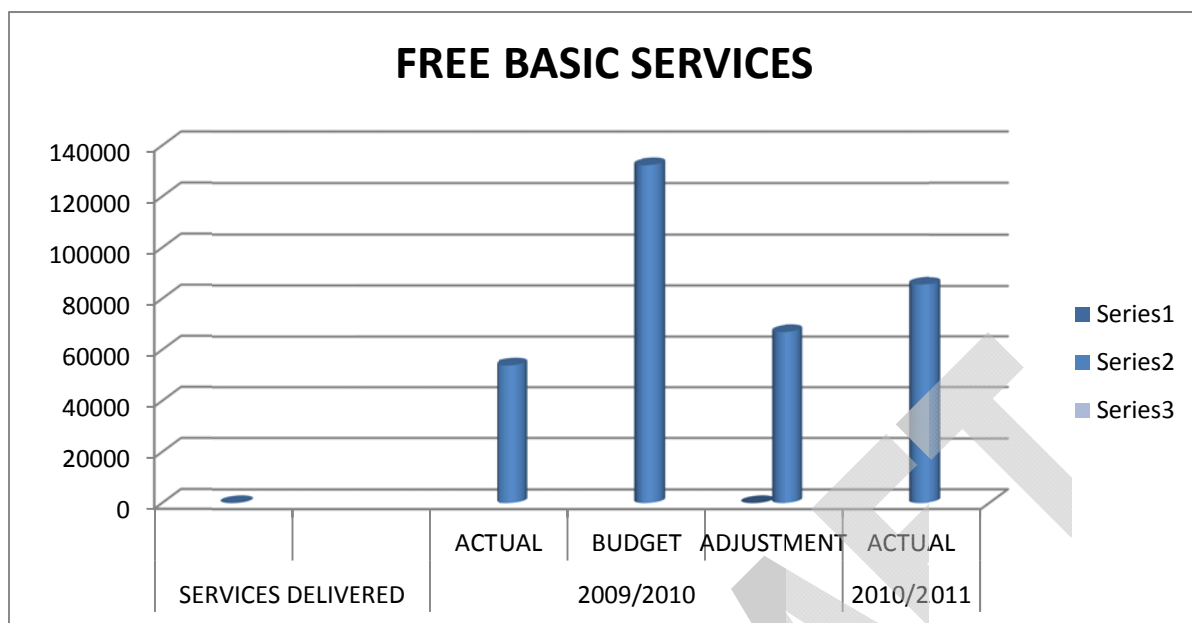
The municipality has undertaken extensive studies in its rural areas to establish what development opportunities there are for the poverty stricken people in these areas. Due to the demarcation and the municipality losing five of the areas worked on to Impendle, it is imperative that cross border discussions

and management sharing strategies be put in place to ensure that the expenditure on this work is not wasted and more importantly that service delivery is not compromised in the areas.



#### Free Basic Services

A budget is in place for the distribution of free electricity, funding for this is provided by Eskom. The District Council would be responsible for free basic services in terms of water and electricity.



The graph represents the amount of free basic electricity that the municipality had provided.

#### YOUTH AND SPECIAL PROGRAMMES FOR 2011/2012

### CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

Please refer to Appendices for Annual performance reports for four managers.

# Chapter 5

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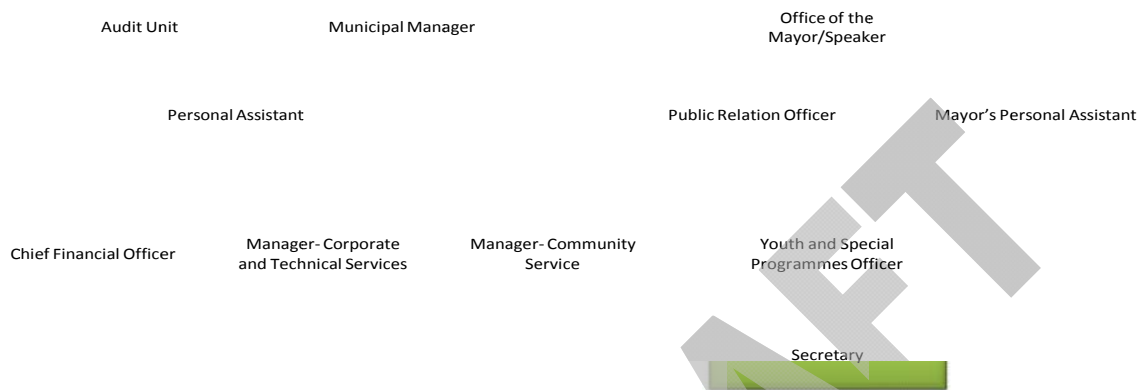
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CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE - HR

## FUNCTIONAL ORGANOGRAM

**Council (Plenary Executive, Proportional Representation)**

**5 part-time Councilors**



**KEY REFERENCE:**



Vacant posts

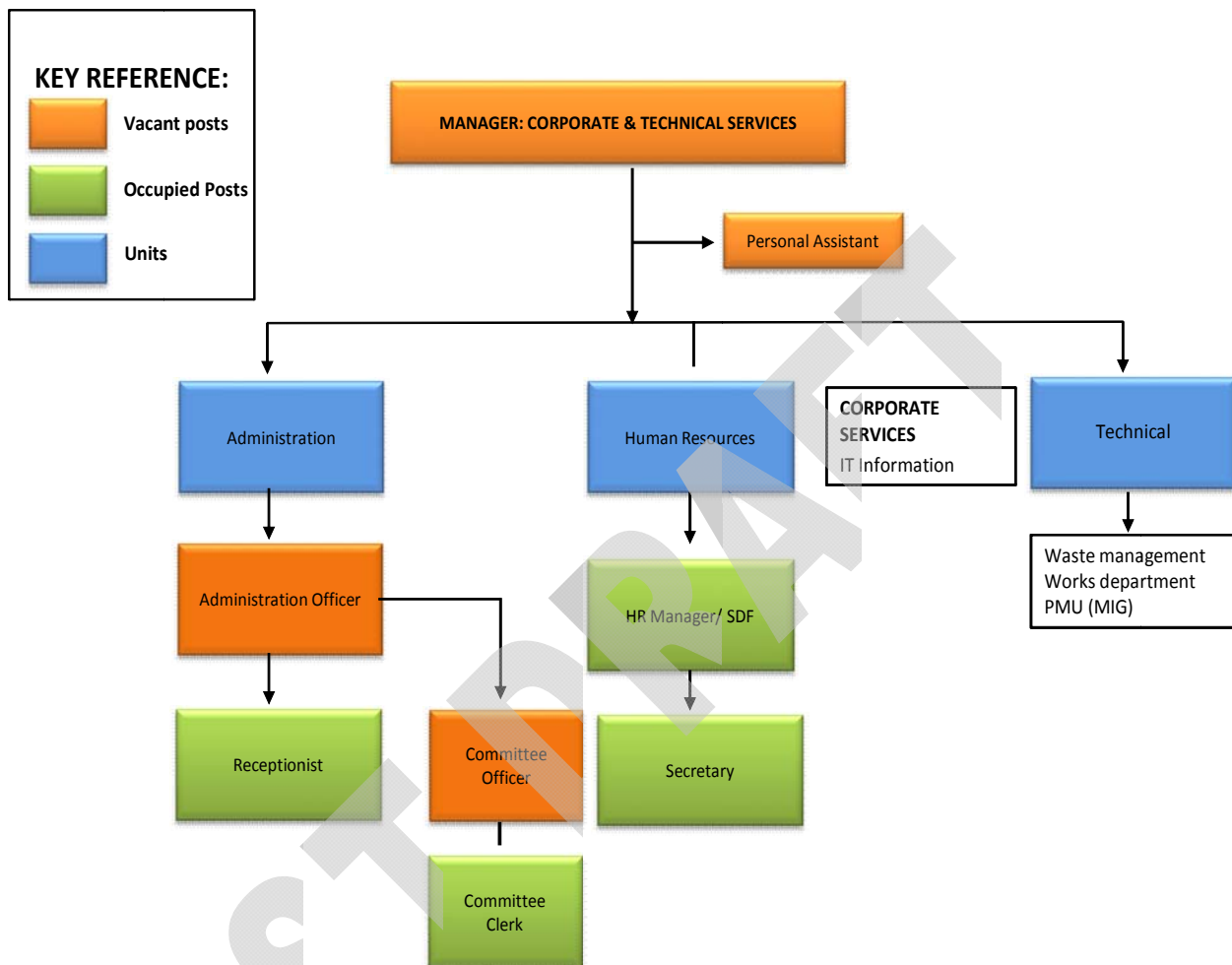
Occupied  
Posts



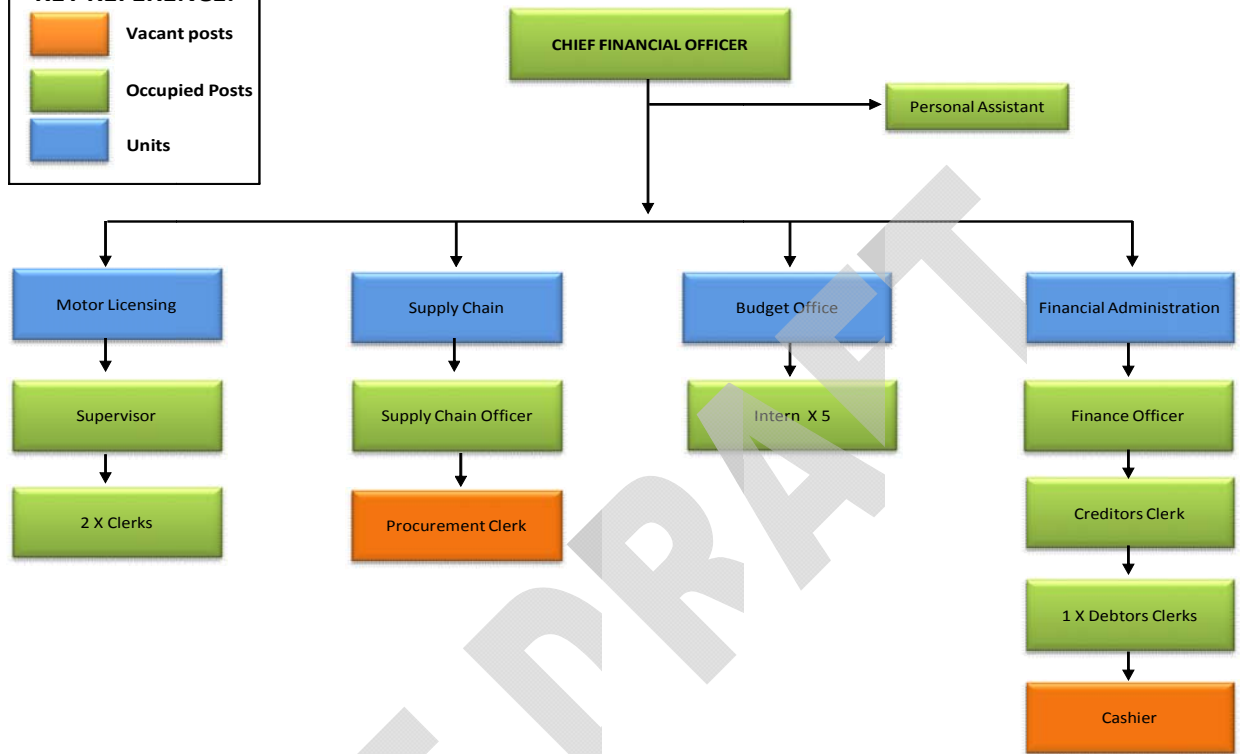
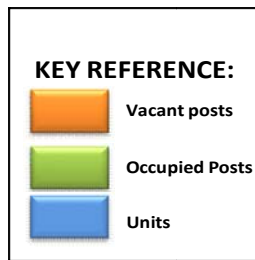
Reporting line



Office location







# Chapter 5

## CHAPTER 5 – FINANCIAL PERFORMANCE

### INTRODUCTION

Sound financial management practices are essential to long term sustainability of municipalities. This report will endeavor to outline strategies aimed at strengthening the financial viability of the Kwa Sani Municipality. The implementation of sound financial management practices, development and ongoing implementation of innovative solutions on revenue management, strict application of credit control measures and implementation of a comprehensive capacity building strategy will have to be developed, implemented and continuously monitored. Good management accounting is essential both for proper and fair tariff setting and performance monitoring. Without this as a firm basis it is not possible to properly manage the affairs of a municipality.

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Cash flow Management and Investment
- Component D: Other Financial Matters

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

### INTRODUCTION TO FINANCIAL STATEMENTS

Statements of Revenue Collection Performance by vote and by source are included in the table below.

### FINANCIAL PERFORMANCE

#### Operating Ratio's

Detail	R	%
Employee Cost		34%
Repairs & Maintenance	477	1%
Finance & Depreciation	1 950	6%

#### OPERATING RATIOS:

Employee costs are expected to be in the region of 30% to total operational costs. In the case of Kwa Sani it is higher due to the high level of staff that is employed for a municipality of this size.

Repairs and maintenance should approximate 20% of our total operating costs. It is considerably lower which is an indication that the assets that the municipality utilise to effect service delivery are not adequately maintained. This may result in early replacement of assets.

Finance and depreciation cost are within the norm.

# FINANCIAL PERFORMANCE

Description	Actual Income 2010/2011	Original Budget	Adjusted Budget	Actual 2010/20 11	Actual % Of Final Budget	Actual % Of Original Budget
	R' 000	R' 000	R' 000	R' 000	%	%
<b>Financial Performance</b>						
Property Rates	7 953	8 358	9 130	9 974	109	119
Service Charges	1 689	3 319	2 368	1 837	78	55
Investment Revenue	489	400	519	480	92	120
Transfers Recognised – Operational	40 949	12 224	11 965	22 226	186	182
Other Own Revenue	1 163	929	1 330	1 140	86	123
<b>Total Revenue (Excluding Capital Transfers &amp; Contributions)</b>	<b>52 243</b>	<b>25 230</b>	<b>25 312</b>	<b>35 657</b>	<b>551</b>	<b>599</b>
Employee Costs	7 980	10 105	9 563	10 144	106	100
Remuneration Of Councillors	1 140	1 223	1 197	992	83	81
Debt Impairment	25	200	200	176	88	88
Depreciation & Asset Impairment	1 414	1 703	1 703	1 694	99	99
Finance Charges	133	116	116	256	221	221
Materials & Bulk Purchases	-	90	62	-	-	-
Transfers & Grants	-	132	67	-	-	-
Other Expenditures	32 161	11 652	12 395	19 887	160	171
<b>Total Expenditure</b>	<b>42 853</b>	<b>25 221</b>	<b>25 303</b>	<b>33 149</b>	<b>758</b>	<b>760</b>
<b>Surplus/(Deficit)</b>	<b>9 390</b>	<b>9</b>	<b>9</b>	<b>2 508</b>	<b>-207</b>	<b>-161</b>
Transfers Recognised – Capital	-	-	-	-	-	-
Contributions Recognised - Capital & Contributed Assets	-	-	-	-	-	-
<b>Surplus/(Deficit) After Capital Transfers &amp; Contributions</b>	<b>9 390</b>	<b>9</b>	<b>9</b>	<b>2 508</b>	<b>-207</b>	<b>-161</b>
Share Of Surplus/(Deficit) Of Associate	-	-	-	-	-	-
<b>Surplus/(Deficit) For The Year</b>	<b>9 390</b>	<b>9</b>	<b>9</b>	<b>2 508</b>	<b>-207</b>	<b>-161</b>
<b>Capital Expenditure &amp; Funds Sources</b>						
<b>Capital Expenditure</b>						
Transfers Recognised – Capital	-	14 058	11 420	9 805	85.86	69.75
Public Contributions & Donations	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-
Internally Generated Funds	-	1 139	1 263	489	38.72	42.93
<b>Total Sources Of Capital Funds</b>		<b>15 197</b>	<b>12 683</b>	<b>10 294</b>	<b>125</b>	<b>113</b>
<b>Cash flows</b>						
Net Cash From (Used) Operating		20 944	-	3 937	-	-
Net Cash From (Used) Investing		-200	-	-4 027	-	-
Net Cash From (Used) Financing		-	-	-322	-	-
<b>Cash/Cash Equivalents At The Year End</b>		<b>20 744</b>	<b>-</b>	<b>-412</b>	<b>-</b>	<b>-</b>

Grant Performance						
Description	2011/2012	Budget Year 2010/11				
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget %	Adjusted Budget %
R thousands						
<b>EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:</b>						
<u>Operating expenditure of Transfers and Grants</u>						
National Government:		11 204	11 243	11 004		
Equitable share		8 754	8 754	8 754	0%	0%
Finance Management		1 500	1 500	1 500	0%	0%
Municipal Systems Improvement		750	750	750	0%	0%
Capacity Building		200	239		-100%	-100%
Free Services Grant*		132	0		-100%	-100%
Provincial Government:		200	-	-		
Capacity Building / Flanders Programme		200	-	-	-100%	0%
District Municipality:		-	54	257	-	0
Shared Planner			54	257	0%	79%
Other grant providers:		-	-	-	-	-
National Backlogs electrifications (National)			-		0%	
Total operating expenditure of Transfers and Grants:		11 404	11 297	11 261	-1%	0%
<u>Capital expenditure of Transfers and Grants</u>						
National Government:		6 557	3 198	2 037	(0)	0
Municipal Infrastructure (MIG)		6 557	3 198	1 882	-248%	-70%
Housing			-	155	100%	100%
Other capital transfers/grants						
Provincial Government:		7 488	7 488	7 488	-	-
Integrated National Electrification Grant		7 488	7 488	7 488	-	-
District Municipality:		-	(0)			
		-	-	-	-	-
		-	-	-	-	-
Other grant providers:		-	-	1 443	0	0
DBSA			-	285	100%	100%
COGTA			-	1 157	100%	100%
Total capital expenditure of Transfers and Grants		14 045	10 686	10 968	-28%	3%
Total capital expenditure of Transfers and Grants		25 449	21 983	22 229	-14%	1%

### OPERATING TRANSFERS AND GRANTS:

Finance Management Grant and Municipal Systems Improvement Grant was received as indicated above from National treasury. FMG was utilized for payments effected to a service provider for the preparation of the 2009/2010 annual report, month end compilation of S71 Returns to Treasury and preparation of the annual financial Statements. Payments were made to interns in the form of salaries as well.

MSIG was used for a CPMD course that was attended by the accounting officer and the Mayor. Payments were also made towards the valuation roll.

Funds received, in the region of R1 000 000 was received from COGTA for the establishment of a municipal pound. This project is still in its early teething stages as the terms of reference has recently been signed and submitted back to COGTA.

R257 000 was received from the district for the services of a shared town planner. These funds have been spent in full.

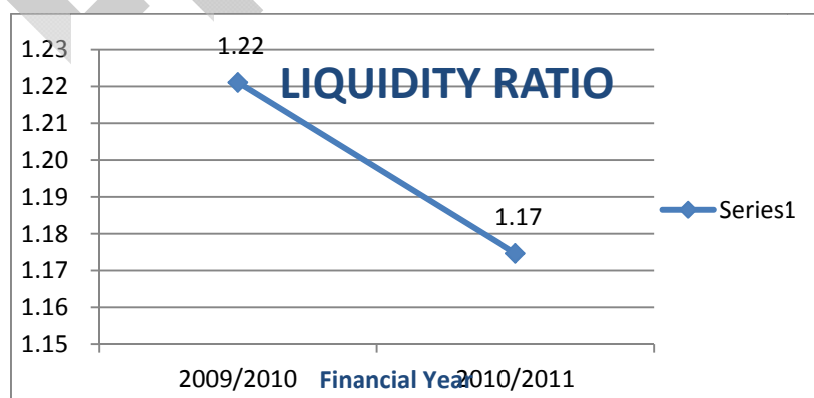
### INTRODUCTION TO ASSET MANAGEMENT

Asset management is a critical function however it receives little attention. Assets of the municipality are utilized to effect service delivery. It is therefore critical that these assets be maintained in order to maximize the benefit of their useful life. Due to budget constraints, a minimal amount is re invested in the repairs and maintenance of these assets. Repairs and maintenance was discussed in the table below.

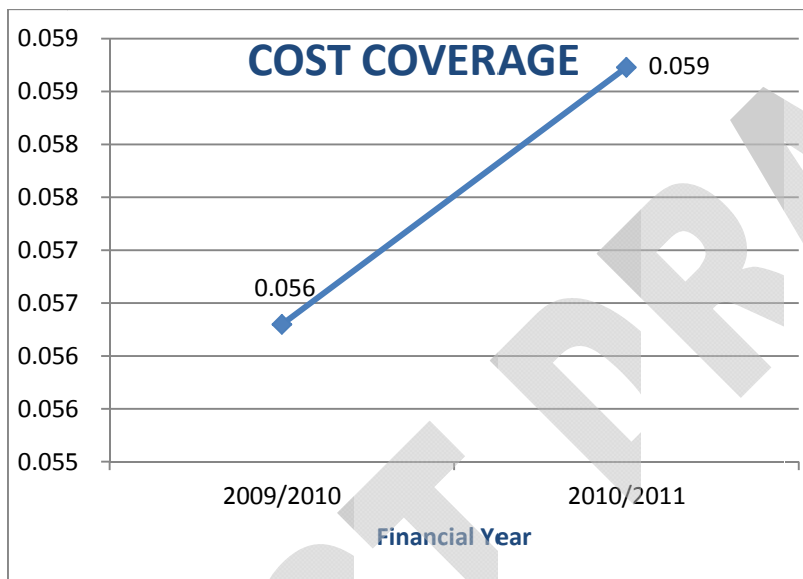
Assets that assist in service delivery are mainly the fleet of vehicles, particularly the refuse truck. Other items relates to small tools and brush cutters utilized on a day to day basis.

Other major asset relate to municipal roads, sports fields and community halls.

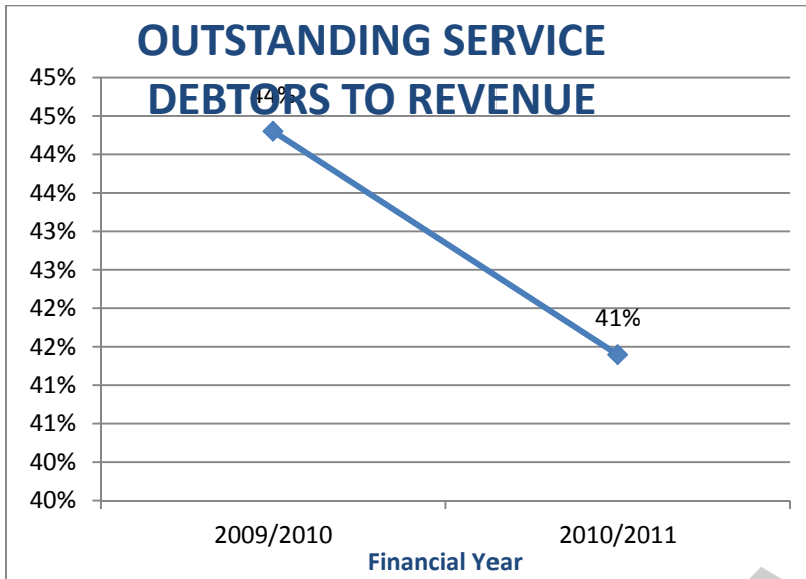
## FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



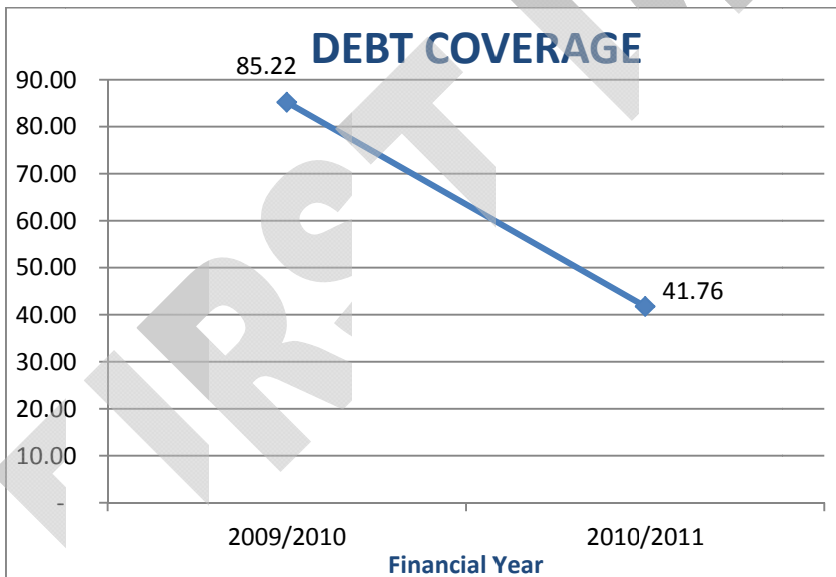
**Liquidity ratio** indicates the municipality's ability to pay its bills. The acceptable norm is great than 2. There is a downward trend from the previous financial year. This is the result in a decrease in cash and cash equivalents and investments as salary scales increased through the job evaluation process that was conducted by SALGA. As a result of the job evaluation, employees salaries were back dated by nine months. Also contributing to the downward hike was the increase in leave pay provision which accrued in terms of the Basic Conditions of Employment Act rate and is accumulated to maximum of 48 days per employee.



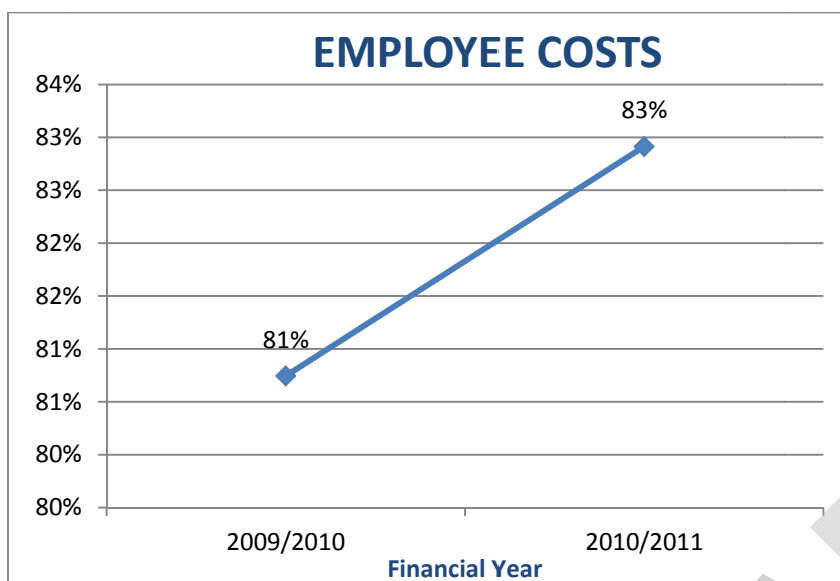
**Cost Coverage** is the number of months that the municipality will be able to pay its bills based on the liquid cash it has available. This clearly indicates that the municipality will only be able to survive and average of 1.8 days.



**Outstanding Services Debtors to Revenue** measures how much money is still owed by the community for refuse removal compared to how much money has been paid for these services. A lower score favours the municipality. Although there has been a decrease in the percentage in the current year, this can be attributed to the revenue randage levied increasing.



**Debt Coverage** refers to the number of times the municipality will be in a position to pay for its debt with its own revenue, excluding grants. It should also be noted that there has been a twofold decrease in the number of times that the municipality could pay for its debt, all within 12 months.



**Employee Costs** measure the amount of revenue, after removing capital revenue that is utilized to pay for employee salaries. The salaries above include councilor's allowances. The escalating rate of an average of 82% can be deemed excessive. The increase in the current year is also due to the increase in employee's salary grades due to the job evaluation that was conducted.

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses.

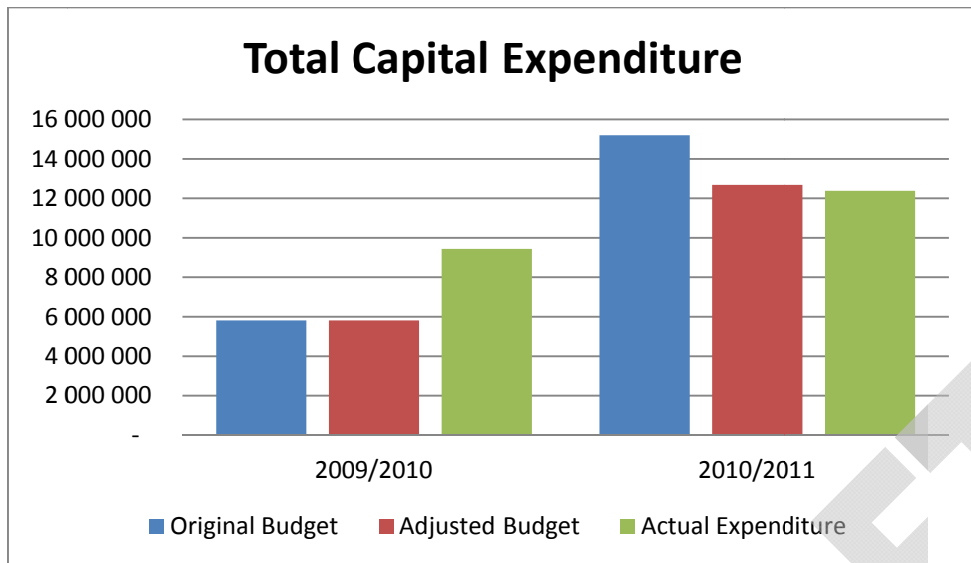
Funding sources are also indicated for capital expenditure undertaken. Refer to table below. Expenditure in the 2010/2011 year related to construction of 4 community halls, graveling off roads, clearing and shaping of side drains and the electrification project. All the above projects were funded via grants received from MIG, with the exception of the electrification of 2 rural areas. This project was funded by the Department of Energy. Variances exist between the 2010/2011 original budget, adjustment and actual expenditure as a result of expenditure on community halls. This had decreased by approximately R3, 4 m.

Other capital purchases related to the purchase of 3 municipal vehicles and laptops for interns in the finance department.

### Total Capital Expenditure

Detail	2011/2012	2010/2011
Original Budget	5 815 650	15 196 600
Adjusted Budget	5 815 650	12 682 631
Actual Expenditure	9 439 354	12 387 676





## SOURCES OF FINANCE

Capital Expenditure-Funding 2009/10-2010/11							
Details		R'000					
		Actual	Original	Adjustment	Actual	Adjustment	Actual
			Budget (OB)	Budget		to OB Variance (%)	to OB Variance (%)
<b>Source of Finance</b>							
	Grants and Subsidies	8 313	14 058	11 420	11 165	-23%	-26%
	Internal	1 126	1 139	1 263	1 223	10%	7%
<b>Total</b>		<b>9 439</b>	<b>15 197</b>	<b>12 683</b>	<b>12 388</b>	<b>-13%</b>	<b>-19%</b>
<b>Percentage of Finance</b>							
	Grants and Subsidies	88%	93%	90%	90%	174%	136%
	Internal	12%	7%	10%	10%	-74%	-36%
<b>Capital Expenditure</b>							
	Community halls	-	4 777	1 418	-	-237%	-100%
	Sports field	437	-	685	769	100%	100%
	Electricity	-	7 488	7 488	7 386	0%	-1%
	Housing	-	-	-	-	0%	0%
	Roads and Storm water	-	1 893	1 908	1 490	1%	-27%
	Other	9 002	1 039	1 184	2 743	12%	62%
<b>Total</b>		<b>9 439</b>	<b>15 197</b>	<b>12 683</b>	<b>12 388</b>	<b>-124%</b>	<b>34%</b>
<b>Percentage of expenditure</b>							
	Community halls	0%	31%	11%	0%	191%	-297%
	Sports field	5%	0%	5%	6%	-81%	297%
	Electricity	0%	49%	59%	60%	0%	-4%
	Housing	0%	0%	0%	0%	0%	0%
	Roads and Storm water	0%	12%	15%	12%	-1%	-80%
	Other	95%	7%	9%	22%	-10%	184%

### SOURCES OF FUNDING

Capital projects are funded primarily through grant funding. It is evident that 88% to 90% of the funding in the 2009/2010 and 2010/2011 financial year was funded from MIG and Electrification projects.

In the 2010/2011 financial year there was variance of 13% between the operating budget and the actual expenditure and 19% between the adjustments budget and actual expenditure. This is due to R3 400 000 worth of grant funding was not paid to the municipality. Also, expenditure of approximately R1 400 000 for community halls was not spent per adjustments budget.

# CAPITAL SPENDING ON 5 LARGEST PROJECTS

CAPITAL SPENDING ON 5 LARGEST PROJECTS*					
					R'000
Name of Project	Current Year			Variance Current Year	
	Original	Adjustment	Actual	Original	Adjustment
	Budget	Budget	Expenditure	Variance (%)	Variance (%)

\*Projects with the Highest capital expenditure in 2009/10

<b>Name of Project-A</b>	
Objective of Project	
Delays	
Future Challenges	
Anticipated citizen benefits	

<b>Name of Project-B</b>	
Objective of Project	
Delays	
Future Challenges	
Anticipated citizen benefits	

<b>Name of Project-C</b>	
Objective of Project	
Delays	
Future Challenges	
Anticipated citizen benefits	

<b>Name of Project-D</b>	
Objective of Project	
Delays	
Future Challenges	
Anticipated citizen benefits	

<b>Name of Project- E</b>	
Objective of Project	
Delays	
Future Challenges	
Anticipated citizen benefits	

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

## INTRODUCTION TO CASH FLOW MANAGEMENT

### Cash Flow Outcomes

[illegible]

## INTRODUCTION TO BORROWING AND INVESTMENTS

The municipality has a loan with DBSA. All particulars are disclosed in the Annual Financial Statements. Please refer to Annexure 1.

## GLOSSARY

<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
<b>Activities</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”.
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>Baseline</b>	Current level of performance that a municipality aims to improve when

	setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
<b>Basic municipal service</b>	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
<b>General Key performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate

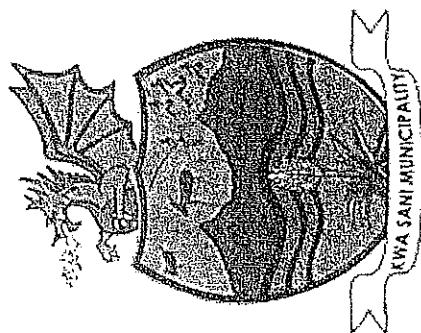
	clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote:</b>	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.

Section 1 of the MFMA defines a “vote” as:

- a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and*
- b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned*

FIRST DRAFT





## MUNICIPAL PERFORMANCE REPORTING FRAMEWORK

DEPARTMENT	FINANCE & ADMINISTRATION
DIRECTORATE	FINANCIAL SERVICES
PERIOD	JULY 2011 – JUNE 2012 (ANNUAL REPORT)
DIRECTOR	KAVESHKA MACKERDUTH

## SOUND FINANCIAL MANAGEMENT & VIABILITY

PROJECT/ PROGRAMME NAME	BUDGET	AMOUNT SPENT TO DATE	STANDARD PROVINCIAL/ MUNICIPAL PERFORMANCE INDICATOR	ANNUAL PLANNED TARGET	PROGRESS MADE AGAINST THE INDICATOR	IF TARGET WAS NOT MET PROVIDE REASONS	CORRECTIVE MEASURES	SDBIP TARGET DATE	REVISED DATE	SOURCE OF INFORMATION	AUDITOR INFORMATION		ANNEXURE
											YES	NO	
Capacity Building			To capacitate 4 role-players on the MFMA	4 Staff member	5 Staff members	Target Met	n/a	30 June 2012	None	Staff Training file – Finance Department	Yes		
Revenue Enhancement	R -		Methods to increase in revenue collected	Roll out of Debt Collection Strategy.	Service provider was appointed.	Target Met	n/a	30 June 2012	None	Strategy Document Approved by Council	Yes		
MPRA	R800 000	R560 000	Implementati on of MPRA	New Roll Created	Done	Target Met	n/a	30 June 2012	None		Yes		
Compliance with MFMA	R300 000	R200 000	Budget preparation in accordance with stipulated timeframes and format	Draft, Annual and Adjustme nts Budget Complete d and Submitted	Draft Annual & Adjustments Budgets were completed & Submitted.	Target Met	n/a	30 June 2012	None	Annual, Adjustment s Budget File – Finance Depart.	Yes		
Compliance with MFMA	R -	R -	Preparation of the AFS in accordance with the MFMA	AFS Preparatio n Plan Drafted	AFS Preparation Plan Drafted	Target Met	n/a	30 June 2012	None	AFS Working Paper File	Yes		
Compliance with MFMA	R -	R -	Progress towards the	Review and	Reviewed and approved	Target Met	n/a	30 June 2012	n/a	Policy File – Finance /	Yes		

			Implementati on of the financial management policies	Implemen tation of the Finance policies	policies by council						Municipal Website / Council Resolution			
Compliance with MFMA	R -	R -	By tabling of the MFMA reports to the relevant committee structures and Council on time	100% of reports submitted annually	100% Reports Submitted	Target Met	n/a	30 June 2012	n/a	MFMA Returns File -- Finance Department	Yes			
Compliance with MFMA	R -	R -	The number of quarterly reports submitted timeously	4	4 Reports	Target Met	n/a	30 June 2012	n/a	MFMA Returns File -- Finance Department	Yes			
Compliance with MFMA	R -	R -	571 Reports	12	12	Target Met	n/a	30 June 2012	n/a	MFMA Returns File -- Finance Department	Yes			
Compliance with MFMA	R -	R -	Annual Financial Statements	1	1	Target Met	n/a	30 June 2012	n/a	AFS Working Paper File -- Finance Department	Yes			
To eliminate fraud and corruption opportunities	R -	R -	To review the fraud prevention plan and enhance the anti- corruption strategy	1 reviewed policy	Achieved	Target Met	n/a	30 June 2012	n/a	Policy File -- Finance / Municipal Website	Yes			
Audit Action Plan	R -	R -	Action Plan to address issues raised in the Audit Report	2 Reports	2 Reports	Target Met	n/a	30 June 2012	n/a	Auditor General File -- Finance Department	Yes			

VAT submissions & Recovery			Number of VAT returns submitted	12	12	Target Met	n/a	30 June 2012	n/a	VAT Returns File – Finance Department	Yes	
Supply Chain Management	R -	R -	Monitoring of SCM policy implementation on	4 Reports	2	Target Not Met No CFO to oversee the effectiveness of the SCM Unit during the first two quarters of the financial year.	SCM made aware of the quarterly reporting requirements in terms of the MFMA.	30 June 2012	n/a	SCM Unit – Department or Council Resolution to note reports received – Committee Clerk	Yes	
Supply Chain Management	R -	R -	Monitoring of SCM policy implementation by presenting reports to council.	12 Monthly reports to Council	12	Target Met	n/a	30 June 2012	n/a	SCM Unit – Department or Council Resolution to note reports received – Committee Clerk	Yes	
Implementation of GRAP 17	R -	R -	Total number of assessments and impairments conducted, reported to council on write off and approval of the impairments identified.	1 Report	1 Report	Target Met	n/a	30 June 2012	n/a	AFS Working Paper File – Finance Department / Council Resolution	Yes	
Reconciliation of Fixed Asset Register to General Ledger	R -	R -	Monthly schedules prepared	12	12	Target Met	n/a	30 June 2012	n/a	FAR File & General Ledger – Finance Department	Yes	

To develop & maintain Loan & Investments Schedules	R -	R -	Monthly schedules prepared	12	12	Target Met	n/a	30 June 2012	n/a	Investments & Loans File – Finance Department	Yes		
Revenue Collection – Grants	R8 754 000	R 8 754 000	Receipt of allocation as per DORA – Equitable Share	100%	100%	Target Met	n/a	30 June 2012	n/a	Grant register & Bank Statements – Finance Department	Yes		
Revenue Collection - Grants	R750 000	R750 000	Receipt of allocation as per DORA – MSIG	100%	100%	Target Met	n/a	30 June 2012	n/a	Grant register & Bank Statements – Finance Department	Yes		
Revenue Collection – Grants	R1 500 000	R1 500 000	Receipt of allocation as per DORA – FMG	100%	100%	Target Met	n/a	30 June 2012	n/a	Grant register & Bank Statements – Finance Department	Yes		
Revenue Collection – Grants	R 7 887 000	R7 887 000	Receipt of allocation as per DORA – MIG	100%	100%	Target Met	n/a	30 June 2012	n/a	Grant register & Bank Statements – Finance Department	Yes		
Cash Flow Projections	R -	R -	By monthly monitoring expenditure and setting realistic projections	12 monthly cash flow projections	12	Target Met	n/a	30 June 2012	n/a	MFMA Returns File – Finance Department	Yes		



## **MUNICIPAL PERFORMANCE REPORTING FRAMEWORK**

<b>DEPARTMENT</b>	<b>PLANNING AND COMMUNITY SERVICES</b>
<b>DIRECTORATE</b>	<b>PLANNING AND COMMUNITY SERVICES</b>
<b>PERIOD</b>	<b>JULY 2011 – JUNE 2012 (ANNUAL REPORT)</b>
<b>DIRECTOR</b>	<b>S. McAlister</b>

# KWA SANI MUNICIPALITY

## ANNUAL REPORT FROM JULY 2011 TO JUNE 2012

### PLANNING & COMMUNITY SERVICE

PROJECT/ PROGRAMME NAME	BUDGET	AMOUNT SPENT TO DATE	STANDARD PROVING/ INDICATOR/ MUNICIPAL PERFORMANCE INDICATOR	ANNUAL PLANNED TARGET	PROGRESS MADE AGAINST THE INDICATOR	IF TARGET WAS NOT MET PROVIDE REASONS	CORRECTIVE MEASURES	SDBIP TARGET DATE	REVISED DATE	SOURCE OF INFORMATION	AUDIT OF INFORMATION		ANNEXURE
											YES	NO	
IDP Framework/Pro cess Plan	Nil (Sisonke DM)	Nil	IDP Framework/Pro cess Plan approved	Framework/ Process Plan approved timeously	100%	Target met	n/a	30 June 2012		Office of the IDP Manager, Framework document	Yes		
Review of the IDP 2011-12	R50,000	R50,000	Reviewed & adopted IDP	Reviewed IDP plan	100%	Target Met	n/a	30 June 2012	None	IDP and Council Resolution – Office of IDP Manager	Yes		
PMS/SDBIP Review and quarterly reports	Nil	Nil	Performance Agreements Signed & Quarterly Meetings & Reporting	1/4ly reports/m eeting and signed performa nce contracts	Quarterly reports submitted	Performance Agreements not signed	Performance Agreements compiled	30 June 2012	none	Finance Department and Office of the MM – SDBIP document	Yes		



PROJECT/ PROGRAMME NAME	BUDGET	AMOUNT SPENT TO DATE	STANDARD PROVINCIAL INDICATOR/ MUNICIPAL PERFORMANCE INDICATOR	ANNUAL PLANNED TARGET	PROGRESS MADE AGAINST THE INDICATOR	IF TARGET WAS NOT MET PROVIDE REASONS	CORRECTIVE MEASURES	SDBIP TARGET DATE	REVISED DATE	SOURCE OF INFORMATION	AUDIT OF INFORMATION		ANNEXURE
											YES	NO	
Service Delivery & Infrastructure -- provision of new public facilities	R1,754,460. 00	R1,754,460. 00	Upgrade Mqatshe & Himeville Community Halls	Upgrade complete	100%	Target Met	None	June 2012	None	MIG Reporting and photographs of the upgraded facilities	Yes		
Upgrade municipal access roads	R4,442,032. 80	R4,442,032.80	2.2 kms in Himeville and 2.2 kms in Underberg complete	Upgrade to 4.4 kms access roads complete	100%	Target Met	None	June 2012	None	Invoices paid and photographs of the roads	Yes		
Reshaping 500m Castle End Road	R250,000.00	R90,937.80	Reshape 500m of access road at Castle End	Upgrade 500m complete	100%	Target met but due to inclement weather more work was required	Reshaping was completed but due to torrential rain, the road had to be re- worked hence over expenditure	June 2012	None	Invoices and photographs	Yes		
Upgrade social facilities	R90,712,080 .00	R816,790.69	Upgrade Nhlanhleni Sports Field	Upgrade complete	100%	Target Met	None	June 2012	None	Invoices and photographs	Yes		

## Local Economic Development

PROJECT/ PROGRAMME NAME	BUDGET	AMOUNT SPENT TO DATE	STANDARD PROVINCIAL INDICATOR/ MUNICIPAL PERFORMANCE INDICATOR	ANNUAL PLANNED TARGET	PROGRESS MADE AGAINST THE INDICATOR	IF TARGET WAS NOT MET, PROVIDE REASONS	CORRECTIVE MEASURES	SDBIP TARGET DATE	REVISED DATE	SOURCE OF INFORMATION	AUDIT OF INFORMATION YES NO	ANNEXURE
Homestead Food Security Initiative	R2,5m	R1m	Training, mentoring, provision of infrastructure for secure crop production and linkage to markets	Phase 1 of training and provision of infrastructure completed	100%	Target Met	None	June 2012	None	Progress reports with photographs	Yes	

National KPA	Strategic Objective	Measurable Objective/O output	Budget			Source of information
			Budget spent	Target	Actual	
Basic Service Delivery	To Coordinate the Local AIDS Council(LAC) and to Implement the HIV& AIDS Programme	One LAC Meeting and HIV and AIDS Awareness Programme	R38 030.00	Was to do HIV and AIDS Awareness Programme in Partnership with the Khuphuka Project and Launch the HIV And AIDS Council	HIV &AIDS Awareness Successfully Implemented and HIV and AIDS Council was not Established And Launched	SPU FILE
	To Promote Sports and Recreation	Coordination of Meetings with Federations, to Conduct the Salga Games Selection and The Mayoral Cup	R35 265.00	Was to meet with SAFA, Department of Sports and Recreation and South African Rugby Association	Met With SAFA and the Department of Sports and Recreation, but did not meet with the South African Rugby union	Met with SAFA the information on minutes and attended register are with SAFA
	To Promote Arts and Cultural Activities	To do selections on Music & Dance and Assist One Music Group with	R50 605.00	Conduct Music and Dance Festival	Music And Dance Festival Conducted Successful And Sbo and wise were recorded as part of Udumo	

National KPA	Strategic Objective	Measurable Objective/Output	Budget				Source of information
			Budget	Budget spent	Target	Actual	
		Recording their Music	R250,000			Gospel Group	
	To Identify Youth Development Initiatives	To have clear Programmes and Projects Targeting the Youth		R2000.00	Identification of Youth Sectors and Meeting with the NYDA and KZN Youth Council	Not Done Youth Sectors need to be formed	
	To Promote and Lobby for Gender Issues	To Conduct the Women's Month Celebration		R29 311.23	Women's Month Celebration for Women at Work	Done Successfully	SPU FILE
	To Promote Quality of Education	To Conduct Matric Motivation			Matric Motivation Day	Matric Motivation Held	SPU FILE
	To implement a programme focusing on People Living With Disability	Identification of People Living with Disability and Launch of the Disability			Planned For 3 <sup>rd</sup> Quarter	Disability Day event held and the formation of their forum done on the 20 <sup>th</sup> of January 2012	SPU FILE

National KPA	Strategic Objective	Measurable Objective/Output	Budget				Source of information
			R250 000	Budget spent	Target	Actual	
		Forum					

NB: Youth and Special Programmes Budget Allocation was R285 000.00 in total.

LOCAL IPA	OBJECTIVE	STRATEGIES	PROJECT NAME	BUDGET	KPI'S	BASELINE	TARGETED BUDGET											
							2011-12	2011-12	2011-12	2011-12	2011-12	2011-12	2011-12	2011-12	2011-12	2011-12	2011-12	2011-12
Good Human Resources Management and Development	To build an administrative body capable of achieving transparency and integrity whilst addressing employment equity	To acquire required competant skills. Capacitation of Human resource. Ensure compliance with relevant legislation	Recruitment, Workplace skills plan, Employment Equity Plan, Career Pathing	N/A	Submitted WSP/ART to LS sets by 30 June, . EEP.	WSP 2011/12	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	To ensure that all staff and councillors are capacitated in line with WSP a	training	Staff Training	R 55,000	Number of staff trained to achieve required competency levels	R 0	8 staff members and 7 councillors trained. Target met.	2 staff members	Conduct Skills Audit and consolidate information on skills audit forms	Consolidate information on skills audit forms Signed wsp	25 applications has been collected. Target not met	submit WSP/ART						
	To upskill management and staff to obtain organisational mandates	staff/macon meeting and use of internal notice board	Enhance internal communication	N/A	Number of notice boards and the use of memos, emails and notices meetings	R 44,925.97	More notice boards and internal memos	Target met	on going	on going	on going	on going						
	Recruitment and Selection practices to comply with the Highest level of professionalism	Align HR Policy with HR Strategy	Effective Human Resources Management and development	N/A	Implementation of HR strategy	R 357.17	on going	on going	on going	on going	on going	on going						
	Recruitment systems that are fair and equitable	Conduct Work study	EEP 2011	N/A	EEP submitted before the end of December 2011 to the DeL	N/A	N/A		Conduct employment equity analysis	N/A	no longer a target for this year	n/a						
	Effective and efficient administration	Advertising for the post	Filling critical post	R 1,155,228.00	75 employees	Preparing and placing seven adverts on the news papers. Post had been advertised	7 Critical posts advertised	Make appointments	Make appointment	95%	N/A							
			Formulate job descriptions	N/A	19 job descriptions formulated	8 job description to be formulated. 8 job descriptions had been formulated	6 job descriptions to be formulated	6 job descriptions to be formulated	5 job Descriptions formulated	target met	N/A							

Creditors Managements	R -	R -	To ensure that creditors are paid within 30 days. - Monthly Creditors Listing and age analysis is prepared.	12 Reports	12	Target Met	n/a	30 June 2012	n/a	MFMA Returns File - Finance Department	Yes	
Audit Committee	R 50 000	R52 000	No of meetings held	4 meetings	4 meetings	Target Met.	n/a	30 June 2012	n/a	Audit Committee minutes in Audit committee file - Finance Department	Yes	

#### OTHER WORK/ ACTIVITIES PERFORMED OUTSIDE THE SERVICE DELIVERY IMPLEMENTATION PLAN

PROJECT/ PROGRAMME	QUANTITY	PURPOSE
<p>Drafting &amp; Development of the PMS at the Municipality</p> <p>Attending meeting held by COGTA and assuming the role and responsibilities of a PMS Specialist as none was appointed.</p> <ul style="list-style-type: none"> <li>- Submission of all performance related Information</li> </ul>	-	<p>To ensure a uniform and integrated PMS Policy, and Framework that was adopted by council.</p> <p>Ensuring that all staff members, councillors and municipal stakeholders are aware of the PMS system to ensure that performance is measured against realistic and achievable goals that are set.</p>

VS-0010A 1:01:01  
12/08/28

Votes History Enquiry Listing

Page: 1

Local Authority : KHAS Kwa Sani Municipality Vote : 11004474  
Financial Year : 2011 Period : 1 Level : 4

Pr Post.Date	TC LV Reference	Amount	Lt.	Comment
1 15/07/2011	86 4 0000073510	2652.10	N 1	COURSE FOR DRIVERS LICENCE
Type Pay CHEQUE	Remit	9658	Cheque	10090 Name KZN-PROVINCIAL GOVERNMENT - TR
1 27/07/2011	86 4 0000073610	1072.50	N	COURSE FOR DRIVERS LEARNERS
Type Pay CHEQUE	Remit	9695	Cheque	10101 Name KZN-PROVINCIAL GOVERNMENT - TR
1 27/07/2011	86 4 0000013811	300.00	N	COURSE FOR DRIVING LICENCE E
Type Pay CHEQUE	Remit	9696	Cheque	10102 Name KZN-PROVINCIAL GOVERNMENT - TR
1 27/07/2011	86 4 0000013812	300.00	N	COURSE FOR DRIVING LICENCE E
Type Pay CHEQUE	Remit	9697	Cheque	10103 Name KZN-PROVINCIAL GOVERNMENT - TR
1 02/08/2011	86 4 0000073870	27405.00	N 7	COUNCILLORS TO ATTEND IDP
Type Pay ACB	Remit	9718	Cheque	4047 Name McINTOSH XABA & ASSOCIATES
1 04/08/2011	6 4 PC00036	100.00	N PZ	MTOLO - EDUCATION VERIFIC
Total :		31829.60		

Local Authority : KHAS Kwa Sani Municipality Vote : 11004474  
Financial Year : 2011 Period : 2 Level : 4

2 10/08/2011	86 4 0000074280	4999.00	N	CORPORATE GOVERNANCE WORKSHO
Type Pay ACB	Remit	9764	Cheque	4079 Name ASM COMMUNICATION & TRAINING S
2 23/08/2011	86 4 0000074000	1447.37	N	CONSUMER PROTECTION ACT SEMI
Type Pay ACB	Remit	9803	Cheque	4113 Name SAICA
2 02/09/2011	6 4 PC00037	100.00	N	TERRENCE-EDUCATION VERIFICAT
Total :		6546.37		

Local Authority : KHAS Kwa Sani Municipality Vote : 11004474  
Financial Year : 2011 Period : 3 Level : 4

3 29/09/2011	86 4 0000074790	6550.00	N 1	UCT BOOKKEEPING COURSE (OHL
Type Pay ACB	Remit	9924	Cheque	4203 Name GETSMARTER
Total :		6550.00		

Local Authority : KHAS Kwa Sani Municipality Vote : 11004474  
Financial Year : 2011 Period : 5 Level : 4

5 14/11/2011	86 4 0000014690	555.00	N 7	HABITS COURSE ATTENDED BY
Type Pay ACB	Remit	10078	Cheque	4315 Name UNDERBERG SCHOOL
5 15/11/2011	86 4 0000076140	2850.00	N	PAYROLL TAX WORKSHOP-ATTENDE
Type Pay ACB	Remit	10103	Cheque	4337 Name R ROUX & ASSOCIATES
Total :		3405.00		



Local Authority : KWAS Kwa Sani Municipality  
Financial Year : 2011 Period : 1 Level : 4

Vote : 11004474

Post.Date	TC	LV	Reference	Amount	Lt.	Comment
15/07/2011	86	4	0000073510	2652.10	N 1	COURSE FOR DRIVERS LICENCE
Pe Pay CHEQUE			Remit	9658	Cheque	10090 Name KZN-PROVINCIAL GOVERNMENT - TR
27/07/2011	86	4	0000073610	1072.50	N	COURSE FOR DRIVERS LEARNERS
Pe Pay CHEQUE			Remit	9695	Cheque	10101 Name KZN-PROVINCIAL GOVERNMENT - TR
27/07/2011	86	4	0000013811	300.00	N	COURSE FOR DRIVING LICENCE E
Pe Pay CHEQUE			Remit	9696	Cheque	10102 Name KZN-PROVINCIAL GOVERNMENT - TR
27/07/2011	86	4	0000013812	300.00	N	COURSE FOR DRIVING LICENCE E
Pe Pay CHEQUE			Remit	9697	Cheque	10103 Name KZN-PROVINCIAL GOVERNMENT - TR
02/08/2011	86	4	0000073870	27405.00	N 7	COUNCILLORS TO ATTEND IDP
Pe Pay ACB			Remit	9718	Cheque	4047 Name MCINTOSH XABA & ASSOCIATES
04/08/2011	6	4	PC00036	100.00	N	PZ MTOLO - EDUCATION VERIFIC
Total :				31829.60		

Local Authority : KWAS Kwa Sani Municipality  
Financial Year : 2011 Period : 2 Level : 4

Vote : 11004474

10/08/2011	86	4	0000074280	4999.00	N	CORPORATE GOVERNANCE WORKSHO
Pe Pay ACB			Remit	9764	Cheque	4079 Name ASM COMMUNICATION & TRAINING S
23/08/2011	86	4	0000074000	1447.37	N	CONSUMER PROTECTION ACT SEMI
Pe Pay ACB			Remit	9803	Cheque	4113 Name SAICA
02/09/2011	6	4	PC00037	100.00	N	TERRENCE-EDUCATION VERIFICAT
Total :				6546.37		

Local Authority : KWAS Kwa Sani Municipality  
Financial Year : 2011 Period : 3 Level : 4

Vote : 11004474

29/09/2011	86	4	0000074790	6550.00	N 1	UCT BOOKKEEPING COURSE (ONL
Pe Pay ACB			Remit	9924	Cheque	4203 Name GETSMARTER
Total :				6550.00		

Local Authority : KWAS Kwa Sani Municipality  
Financial Year : 2011 Period : 5 Level : 4

Vote : 11004474

14/11/2011	86	4	0000014690	555.00	N 7	HABITS COURSE ATTENDED BY
Pe Pay ACB			Remit	10078	Cheque	4315 Name UNDERBERG SCHOOL
15/11/2011	86	4	0000076140	2850.00	N	PAYROLL TAX WORKSHOP-ATTENDE
Pe Pay ACB			Remit	10103	Cheque	4337 Name R ROUX & ASSOCIATES
Total :				3405.00		



033 - 702-1148

4/6 Skeen Boulevard, Bedfordview 2007 • P O Box 1964,  
Bedfordview 2008 • Telephone (011) 456 8578,  
Facsimile (011) 450 4948  
• Email info@lgseta.co.za • Website www.lgseta.co.za

	YES	NO
Workplace Skills Plan 2011-2012	✓	
Annual Training Report 2010-2011	✓	
Name Of Municipality : Kwa-Sani		
Levy Number : L040709380		
SP Signed / Unsigned :	✓	
ATR Signed /Unsigned :	✓	

Information Received	Information not received	Information not fully completed
✓		
	X	

- \* Blank Cheque "In the Name of Municipality"
- \* EMP 201 SARS document "In the Name of Municipality"

- \* SDF
- \* Organised Employers
- \* Organised Labour
- \* Municipal Manager
- \* Levy Number
- \* Executive Summary

✓	X	
✓		
✓		
✓		
✓		

- 1.2 SIC Code
- 1.3 CFO Details
- 1.4 Global Figures
- 1.5 Proposed Expenditure
- 1.6 Proposed Expenditure on unemployed people

✓		
✓		
✓		
✓		
✓	X	

## Section 2. Primary Skills Development Facilitator

All Information should be completed

✓		
---	--	--

## Section 3. Description of municipality consultative process

- 3.2 Members of consultative structure
- 3.3 Members who sit on consultative structure
- 3.7 Registered trade unions

✓		
✓		
✓		

## Section 4. Employment Profile

### 4.1 Total employed in enterprise

- \* Race
- \* Age Categories
- \* PWD

✓		
✓		
✓		

- \* Race
- \* Age Categories

✓		
✓		

\* PWD

	Y	
--	---	--

Information Received	Information not received	Information not fully completed
----------------------	--------------------------	---------------------------------

## 4.3 New labour market entrants

\* Race

\* Age Categories

\* PWD

	Y	
	Y	
	Y	

## 4.4 Interns given structured work

\* Race

✓		
---	--	--

## 4.5 18.2 given structured work

\* Race

	Y	
--	---	--

## 4.6 Employees who left the enterprise

✓		
---	--	--

## Section 5.1 Qualification Profile (We need figures)

5.2 Process used

Y		
---	--	--

## Section 6 IDP Objectives

## Municipal Objectives

Objectives

Targets and measures of success

Training and skills development objectives

Objectives

Targets and measures of success

Employment equity objectives (Employees only)

Objectives

Targets and measures of success

GSETA priority skills area addressed

✓		
✓		

	Y	
	Y	

	Y	
	Y	
	Y	

## Section 7 : Skills Priority (We need figures)

B : If ABET is completed in this section then section 11 has to be completed

## Section 8 : Proposed Training Programmes

✓		
---	--	--

## Section 9 : Training for unemployed

	Y	
--	---	--

## Section 10 : DOL Critical &amp; Scarce Skills

✓		
---	--	--

## Section 10.2 : LGSETA Discretionary Grant Priorities

✓		
---	--	--

## Section 11 : Abet Training

	Y	
--	---	--

## Section 12 : Beneficiaries to be trained

\* Race

\* Age Categories

Y		
---	--	--

## Section 13 : Learnerships, Skills Programme &amp; Apprenticeships

	Y	
--	---	--

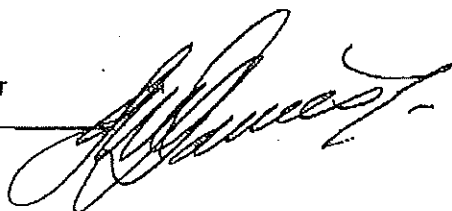
## Section 14 : Quality Assurance

\* TQA

\* Accreditation Number

	Y	
--	---	--

Thank you,  
 Janet Davies  
 Director Skills Planning Manager






UBF 031-5602300 COPYRIGHT©

DOMESTIC CASH MAYBILL

100

TC164362946ZA

COMPANY/NAME KWASANI LOCAL MUNICIPALITY  
ADDRESS KWASANI LOCAL MUNICIPALITY  
33 ABEBULE STREET  
HIMENVILLE POSTCODE 3256  
CONTACT  
PHONE/CELL NO.  
E-MAIL ADDRESS HERMANPODZ@KWASANI.CO.ZA

SENDER'S SIGNATURE	COUNTY NO.	DOOR
	COUNTY	10140 Pines Door Delivery
	<del>           COUNTY            10140 Pines            Door            Delivery         </del>	P.O. Box 10140 Pines Dr. Door Delivery
		

NAME (PRINT)	DATE	22	06	12
* ADVISE RECEIVER TO COLLECT FROM COUNTER				
COUNTRIES VISITED				
LENGTH	100			
WIDTH				
HEIGHT	5'03" 140			
YES	NO			

ADVISE RECEIVER TO COLLECT FROM COUNTER

**NOTE: IMPORTANT INFO**  
This shipment is accepted subject to and accepted them, in the event of loss  
in terms of the Trading Conditions

**0860 023 133**  
24 - HOUR CUSTOMER HELPLINE

**TO (RECEIVER)**

COMPANY/NAME 416 CORPORATE PARK  
ADDRESS SILEEN BOULEVARD  
BEDFORD VIEW POSTCODE 2007  
CONTACT MUKANY  
PHONE/CELL NO.  
E-MAIL ADDRESS MALAYD\_P@SILENA.PK

SAMEDAY COURIER SATURDAY SERVICE AFTER HOURS EARLY BIRD	TYPE OF GOODS		DOCUMENTS	NON DOCUMENTS	CONTENTS
	TYPE OF GOODS		DOCUMENTS	NON DOCUMENTS	

[illegible]

By signing this shipment, the Sender acknowledges to have read from the back of this page, understood and accepted the terms and conditions of the Seller's General Conditions of Sale. The Seller's liability is limited to a maximum of R\$0,00 or such amount as may be applicable, in the event of loss or damage to the goods. The value must be declared, in the space provided, and the relevant premium paid.

The Shortest Distance Between Two Points

CAT No. CON 080012

**KWA SANI LOCAL MUNICIPALITY**  
OFFICE OF THE MUNICIPAL MANAGER



BOX 43, HIMEVILLE, 3256  
32 ARBUCKLE STREET, HIMEVILLE, 3276  
Tel.: (033) 702 1060 Fax: (033) 702 1148

Enquiries: Mr J. SONDEZI

Date: 21 NOVEMBER 2011

12 Old Main Road  
Underberg  
3257

Dear Miss Nelisa Holiwe.

**APPOINTMENT TO A PERMANENT POSITION: PROCUREMENT CLERK, FINANCE  
DEPARTMENT: KWA SANI LOCAL MUNICIPALITY**

**1. APPOINTMENT LETTER**

Kwa Sani Municipality takes pleasure in offering you a permanent employment commencing from the 21<sup>st</sup> November 2011 as a Procurement clerk: Finance Department and subject to council conditions of service as amended from time to time.

Your employment with Kwa Sani Municipality will render you liable to comply with all existing agreements and resolutions which apply to the existing staff. You will be required to perform work as prescribed by (The Chief Financial Officer: Finance Department) anywhere within the area of jurisdiction of Kwa Sani Municipality. Your ordinary place of work will be Address: 32 Arbuckle Street, Himeville, 3256.

**1. DUTIES**

You will be required to undertake the duties as shown in the attached Job Description  
(Refer **Annex A**).



BOX 43, HIMEVILLE, 3256  
32 ARBUCKLE STREET, HIMEVILLE, 3276  
Tel.: (033) 702 1060 Fax: (033) 702 1148

Enquiries: Mr J. SONDEZI

Date: 24 April 2012

PO Box 5029  
Nongoma  
3950

Dear Miss Pinkie Hlengiwe Ngcobo

**APPOINTMENT TO A PERMANENT POSITION: PERSONAL ASSISTANT TO HUMAN RESOURCES MANAGER**

**1. APPOINTMENT LETTER**

Kwa Sani Municipality takes pleasure in offering you a permanent employment commencing from the 02<sup>nd</sup> May 2012 as a Personal Assistant to the Human Resources Manager and subject to council conditions of service as amended from time to time.

Your employment with Kwa Sani Municipality will render you liable to comply with all existing agreements and resolutions which apply to the existing staff. You will be required to perform work as prescribed by **(Manager: Human Resources)** anywhere within the area of jurisdiction of Kwa Sani Municipality. Your ordinary place of work will be **Address: 32 Arbuckle Street, Himeville, 3256**

**1. DUTIES**

You will be required to undertake the duties as shown in the attached Job Description  
(Refer **Annex A**).



## EMPLOYMENT CONTRACT

ENTERED INTO BY AND BETWEEN

THE COUNCIL OF THE KWA SANI MUNICIPALITY

Herein represented by Cllr. M.B Banda, in his duly authorised capacity as Mayor of the Kwa Sani Municipality

(As per Resolution No: 04 FEBRUARY 2012)

AND

NOMPUMELELO CHARLOTTE CHILIZA

ID NO 7705270274084

### WHEREAS:

- A. The Municipal Council of the **KWA SANI** Municipality wishes to engage the services of the Employee to perform the duties and functions of a **MUNICIPAL MANAGER** at the said Municipality; and
- B. The Employee has accepted the offer of employment for the period contemplated below;

**KWA SANI LOCAL MUNICIPALITY**  
OFFICE OF THE MUNICIPAL MANAGER



BOX 43, HIMEVILLE, 3256  
32 ARBUCKLE STREET, HIMEVILLE, 3276  
Tel.: (033) 702 1060 Fax: (033) 702 1148

Enquiries: Mr J. SONDEZI

Date: 01 NOVEMBER 2011

P.O. Box 1410  
Estcourt  
3310.

Dear Mr. Sizwe Sihle Mvelase.

**APPOINTMENT TO A PERMANENT POSITION: TECHNICAL OFFICER, PLANNING  
DEPARTMENT: KWA SANI LOCAL MUNICIPALITY.**

**1. APPOINTMENT LETTER**

Thank you for completing your probation period with success. Kwa Sani Municipality takes pleasure in confirming our offer of your permanent employment commencing on the 01<sup>st</sup> November 2011 as a Technical Officer: Planning Department and subject to council conditions of service as amended from time to time.

Your employment with Kwa Sani Municipality will render you liable to comply with all existing agreements and resolutions which apply to the existing staff. You will be required to perform work as prescribed by (Manager: Planning and Community Services: Planning Department) anywhere within the area of jurisdiction of Kwa Sani Municipality. Your ordinary place of work will be  
Address: 32 Arbuckle Street, Himeville, 3256

**1. DUTIES**

You will be required to undertake the duties as shown in the attached Job Description  
(Refer **Annex A**).



# KWA SANI LOCAL MUNICIPALITY

## OFFICE OF THE MUNICIPAL MANAGER



BOX 43, HIMEVILLE, 3256  
 32 ARBUCKLE STREET, HIMEVILLE, 3276  
 Tel.: (033) 702 1060 Fax: (033) 702 1148

Enquiries: Mr J. SONDEZI

Date: 06 December 2011

P.O. Box 9740  
 Link Hills  
 3652

Dear Miss. Precious Thulsiwe Jabulile Mbutho.

### EMPLOYMENT CONTRACT FOR A SENIOR PLANNER POSITION, PLANNING AND COMMUNITY SERVICES DEPARTMENT, KWA SANI LOCAL MUNICIPALITY.

#### 1. APPOINTMENT LETTER

Kwa Sani Municipality takes pleasure in offering you an employment contract commencing from the 01<sup>st</sup> February 2012 and shall terminated without notice on the 31<sup>st</sup> January 2014 as a Senior Planner: Planning and Community Services Department and subject to council conditions of service as amended from time to time.

Your employment with Kwa Sani Municipality will render you liable to comply with all existing agreements and resolutions which apply to the existing staff. You will be required to perform work as prescribed by (The Manager: Planning and Community Services: Planning Department) anywhere within the area of jurisdiction of Kwa sani Municipality. Your ordinary place of work will be  
 Address: 32 Arbuckle Street, Himeville, 3256.

#### 1. DUTIES

You will be required to undertake the duties as shown in the attached Job Description

P.T.J

**KWA SANI LOCAL MUNICIPALITY**  
OFFICE OF THE MUNICIPAL MANAGER



BOX 43, HIMEVILLE, 3256  
32 ARBUCKLE STREET, HIMEVILLE, 3276  
Tel.: (033) 702 1060 Fax: (033) 702 1148

Enquiries: Mr J. SONDEZI

Date: 10 April 2012

4 Arbuckle Street  
Himeville  
3256

Dear Miss. Siyamthanda Gegana

**EMPLOYMENT CONTRACT FOR A LIBRARY CYBER CADET, PLANNING AND  
COMMUNITY SERVICES DEPARTMENT: KWA SANI LOCAL MUNICIPALITY.**

**1. APPOINTMENT LETTER**

Kwa Sani Municipality takes pleasure in offering you an employment contract commencing from the 2 May 2012 and shall be terminated without notice on the 2 May 2013 as a Library Cyber Cadet : Planning and Community Services Department and subject to council conditions of service as amended from time to time.

Your employment with Kwa Sani Municipality will render you liable to comply with all existing agreements and resolutions which apply to the existing staff. You will be required to perform work as prescribed by **(The Manager: Planning and Community Services: Planning Department)** anywhere within the area of jurisdiction of Kwa sani Municipality. Your ordinary place of work will be **Address: Underberg Library, Underberg, 3257**

**1. DUTIES**

You will be required to undertake the duties as shown in the attached Job Description  
(Refer **Annex A**).

**KWA SANI LOCAL MUNICIPALITY**  
OFFICE OF THE MUNICIPAL MANAGER



BOX 43, HIMEVILLE, 3256  
32 ARBUCKLE STREET, HIMEVILLE, 3276  
Tel.: (033) 702 1060 Fax: (033) 702 1148

Enquiries: Mr J. SONDEZI

Date: 16 NOVEMBER 2011

P.O. Box 22931  
Gay Ridge  
Margate  
4275

Dear Miss Thembela Gwexe.

**APPOINTMENT TO A PERMANENT POSITION: BUILDING CONTROL OFFICER,  
PLANNING DEPARTMENT: KWA SANI LOCAL MUNICIPALITY.**

**1. APPOINTMENT LETTER**

Kwa Sani Municipality takes pleasure in offering you a permanent employment commencing from the 03<sup>rd</sup> January 2012 as a Building Control Officer: Planning Department and subject to council conditions of service as amended from time to time.

Your employment with Kwa Sani Municipality will render you liable to comply with all existing agreements and resolutions which apply to the existing staff. You will be required to perform work as prescribed by (Manager Planning and Community Services: Planning Department) anywhere within the area of jurisdiction of Kwa Sani Municipality. Your ordinary place of work will be Address:  
**32 Arbuckle Street, Himeville, 3256**

**1. DUTIES**

You will be required to undertake the duties as shown in the attached Job Description  
(Refer **Annex A**).

Local Authority : KRAS Kwa Sani Municipality  
 Financial Year : 2011 Period : 7 Level : 4

Vote : 11004474

Pr Post.Date	TC LV Reference	Amount	Lt.	Comment
7 16/01/2012	86 4 0000010254	2652.10	N	COURSE FOR DRIVING LICENCE E
Type Pay SUNDY	PAY Remit	10254	Cheque	10163 Name KZN PROVINCIAL GOVERNMENT-TRAN
Total :		2652.10		

Local Authority : KRAS Kwa Sani Municipality  
 Financial Year : 2011 Period : 8 Level : 4

Vote : 11004474

Pr Post.Date	TC LV Reference	Amount	Lt.	Comment
8 01/03/2012	86 4 0000077970	3300.00	N	CUSTOMER SERVICE, RECEPTION &
Type Pay ACB	Remit	10390	Cheque	4566 Name BOSTON CITY CAMPUS
8 02/03/2012	6 4 PC000043	400.00	N	NP MAPRANGA-REGISTRATION & ED
Total :		3700.00		

Grand Total : 54693.07

\* End of Report: Kwa Sani Municipality \*

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Votes History Enquiry Listing

Page: 2

Local Authority : KHAS Kwa Sani Municipality      Vote : 11004474  
Financial Year : 2011      Period : 7      Level : 4

Pr Post.Date	TC	LV Reference	Amount	Lt.	Comment
7 16/01/2012	86	4 0000010254	2652.10		N COURSE FOR DRIVING LICENCE E
Type Pay	SUNDRY	PAY Remit	10254	Cheque	10163 Name KZN PROVINCIAL GOVERNMENT-TRAN
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Total :			3700.00		

Grand Total : 54683.07

\* End of Report: Kwa Sani Municipality \*